

C.1
January-March, 1958

Matthew Jackson
Vol. IV, No. 1

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

(Official Organ of the Indian Institute of Public Administration)

PRINCIPAL CONTENTS

Civil Service Neutrality	S. Lall
Incentive Awards in the Public Service	D. G. Karve
Administrative Co-ordination in Community Development	B. Mukerji
Improving City Government	P. R. Nayak
Democratic Decentralisation in Local Self-Government	Arch Dotson
Accountability in the Corporate Sector	D. L. Mazumdar
Henley and Hyderabad	J. W. L. Adams
The Railway Rates Tribunal	Amba Prasad

Issued Quarterly

Single Copy
Rs. 2.50 or 5s

Annual Subscription
Rs. 10 or £ 1

INDIAN INSTITUTE OF PUBLIC ADMINISTRATION
Executive Council for 1958-59

President

Shri Jawaharlal Nehru

Chairman : Executive Council

Shri V.T. Krishnamachari

Vice-Presidents

Shri T.T. Krishnamachari

Pandit Govind Ballabh Pant

Pandit H.N. Kunzru

Shri Shri Ram

Dr. G.S. Mahajani

Shri Gurmukh Nihal Singh

Honorary Treasurer

Shri S.B. Bapat

Members of the Executive Council

Shri N.H. Athreya

Shri H.C. Mathur

Shri C.D. Deshmukh

Prof. M.V. Mathur

Shri Din Diyal

Shri P.R. Nayak

Shri Jai Parkash Jain

Shri A.D. Pandit

Shri Humayun Kabir

Shri H.M. Patel

Prof. D.G. Karve

Shri S. Ranganathan

Prof. S.V. Kogekar

Dr. K.N.V. Sastri

Shri N.K. Sidhanta

Director

Prof. V. K. N. Menon

INDIAN JOURNAL OF PUBLIC ADMINISTRATION

Editor

Shri S. B. Bapat

Editorial Board

Prof. D.G. Karve

Prof. S. V. Kogekar

Prof. V. K. N. Menon

(The views expressed in the signed articles are the personal opinions of the contributors and are in no sense official, nor is the Indian Institute of Public Administration responsible for them.)

OUR CONTRIBUTORS

Mr. J.W.L. Adams : M.A.; Member of the Directing Staff of the Administrative Staff College, Henley-on-Thames; Director of Studies for Session 1 at the Administrative Staff College of India, Hyderabad.

Prof. Arch Dotson : M.A., Ph. D. (Harvard); Assistant Professor of Government and Research Assistant, Bureau of Public Administration, University of Virginia, 1947-49; post-doctoral fellow, London School of Economics and Political Science, 1949-51; Assistant Professor of Government, 1951-56, Associate Professor, Cornell University; Consultant to Commonwealth of Virginia, Institute of Governmental Affairs, New York City-New York State Fiscal Relations Committee, Comptroller of New York State, Ford Foundation; President, Cornell Public Administration Society; Author, articles in *Public Administration Review*, *National Municipal Review*, *Servicios Publicos*, *Western Political Quarterly*; Assistant editor, *Great Cities of the World*, etc.

Prof. D. G. Karve : M.A. (Bombay); veteran economist and philosopher-administrator; Chairman, Bombay Administrative Enquiry Committee, 1948; Executive Editor, Bombay District Gazetteers (Revision), 1949-52; Chairman, Madhya Bharat Co-operative Planning Committee, 1952; Director, Programme Evaluation Organisation, Planning Commission, 1952-55; Director, Indian Institute of Public Administration, 1954-55; Member, Standing Committee of the Panel of Economists and Panel on Land Reforms, Planning Commission; Chairman, Co-operative Training Committee, Reserve Bank of India; Author of "Public Administration in a Democracy".

Shri S.L. Khurana : Ordnance Officer (Civil), 1943-49; Permanent Regular Commissioned Officer, June-Sept. 1949; joined the Indian Administrative Service, Oct. 1949; Sub-divisional Officer, 1950-52; Additional Collector, Oct.-Dec. 1952; Collector, 1953-54; Director of Development, Govt. of Rajasthan, 1954-55; Additional Secretary, Development Department, Govt. of Rajasthan, May-Sept. 1955; Deputy Secretary, Ministry of Community Development, Govt. of India, since Oct. 1955.

Prof. S. V. Kogekar : B.A. (Hons.) (Bombay), B.Sc. (Hons.) (London); Principal, Fergusson College, Poona; Member, Research Programme Committee, Planning Commission; Member, Executive Committee, International Political Science Association; Member, Executive Council, Indian Institute of Public Administration; Secretary, Deccan Education Society, Poona; Formerly General Secretary, Indian Political Science Association. Author of "Introduction to Economics" and "Political Science in India".

Shri S. Lall : C.I.E. 1941; joined the Indian Civil Service, 1919; Assistant Collector, Bihar and Orissa; Joint Secretary, Royal Commission of Labour in India; Secretary to the Government of Bihar and Orissa, Education and Development Departments; Deputy High Commissioner for India, London, 1938-44; Offg. High Commissioner for India, London, 1941-42; Chairman of the Governing Body of the International Labour

Organisation, 1948-49; Secretary to the Government of India, Ministry of Labour, 1946-50; Assistant Secretary-General, United Nations, 1950-54; Chairman, Air Transport Council, India, since 1955.

Shri D. L. Mazumdar : joined the Indian Civil Service, 1929; Secy., Bengal Jute Enquiry Committee, 1938-39; Special Officer, Department of Finance, West Bengal, 1939-40; Secretary, Indian Central Jute Committee, 1940-42; Deputy Director of Civil Supplies, 1942-43; Deputy Secretary, Ministry of Labour, Government of India, 1944-45; Joint Secretary, Ministry of Works, Mines & Power, Government of India, 1945-49; Secretary to the Indian Delegation to the World Trade Conference at Havana, Cuba, Ministry of Commerce, Government of India, 1947; Member and Secretary, Fiscal Commission, Ministry of Commerce, Government of India, 1949-50; Member and Secretary, Import Control Enquiry Committee, Ministry of Commerce, Government of India, 1950; Member and Secretary, Company Law Committee, Ministry of Finance, Government of India, 1950-54; Special Officer, Department of Economic Affairs, Ministry of Finance, 1952-54; Offg. Secretary, Deptt. of Economic Affairs, Ministry of Finance, 1954-55; Secretary, Department of Company Law Administration, Ministry of Commerce and Industry, Government of India, since 1955.

Prof. V. K. N. Menon : B. A. (Hons.) (Madras), M. A., (Oxon); Director, Bureau of Research in Public Administration, Public Service Commission, U. P., 1948; Vice-Chancellor, Patna University, 1953-54; Prof. of Political Science and Director, Institute of Public Administration, Patna University, 1954-56; Director, Indian Institute of Public Administration, since August 1956.

Shri B. Mukerji : joined the Indian Civil Service, 1937; Sub-Divisional Magistrate, Under Secretary (Appts. & Political Deptt.); Deputy Secretary in the Departments of Home, Finance and Supply & Transport; Secretary in the Departments of Home and Finance; Secretary to the Governor of Orissa; District Magistrate, Cuttack; and Administrator, Mayurbhaj when integrated with Orissa in 1949; Chief Secretary & Development Commissioner to the Govt. of Orissa, 1950-56; Commissioner of Relief & Rehabilitation, Orissa; at present Joint Secretary to the Govt. of India, Ministry of Community Development.

Shri P.R. Nayak : M.A. (Madras); Associate of the Royal Technical College, Glasgow; Joined the Indian Civil Service in 1935 and served in Sind as Assistant Collector, Assistant Revenue Officer (Lloyd Barrage Scheme) and Deputy Secretary to Government; in the Government of India in the Supply Department, 1941-49; in Bombay as Secretary to Government, Rehabilitation, Education, and Agriculture Departments and as Municipal Commissioner, Bombay Municipal Corporation, 1952-57; at present, Commissioner, Delhi Municipal Corporation.

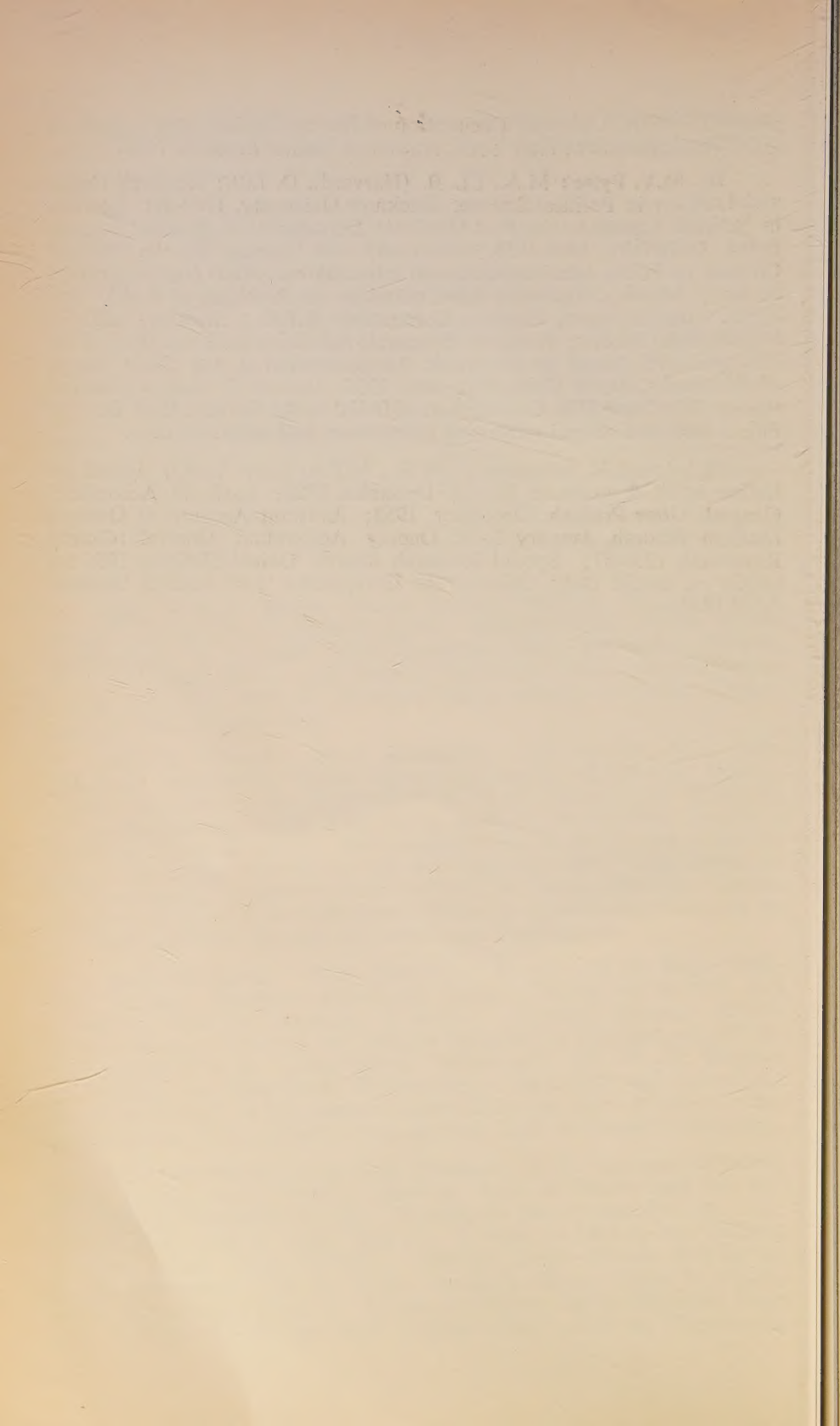
Dr. Amba Prasad : M.A., A.M. (Stanford), Ph. D.; Lecturer in History, Hindu College, Delhi. 1939-41; Head of Deptt. of History and Pol. Sc., A.S. College, Lakhaoti, 1941-42; Lecturer in History and Pol. Sc., S.R. College of Commerce, Delhi, 1942-49; Lecturer in History and Politics, Ramjas College, Delhi, 1949-54; Fulbright Smith—Mundt. Scholar at Stanford University, 1951-52; Senior Research Officer, States Re-organisation Commission, 1954-55; Reader in History, Delhi University since 1955; Winner of U.N. International Essay Prize in 1949 on "The Imple-

mentation of the Universal Declaration of Human Rights" and visited the U.N. Headquarters at New York; Author of '*Indian Revolt of 1942.*'

Dr. M.V. Pylee : M.A., LL. B. (Harvard), D. Litt.; Research Fellow and Lecturer in Political Science, Lucknow University, 1948-49; Lecturer in Political Science in the Post-Graduate Department of Political Science, Patna University, 1949-1955, concurrently was Lecturer for the Diploma Courses in Public Administration and International Affairs and Department of Law; Member, Technical Sub-Committee on Problems of Politics and Public Administration, Planning Commission R.P.C. ; Member, Editorial Board, Social Studies; Reader in Economic Administration and Head of the Post-graduate Course in Economic Administration in the Delhi School of Economics, Delhi University, since 1955. Author of '*India's Constitution at Work*' and 'The Constitution of India' in the German Year Book of Public Law and several papers on government and administration.

Shri Anand K. Srivastava : M.Sc., M.P.A. (New York); joined the Indian Audit & Accounts Service, December 1950; Assistant Accountant General, Uttar Pradesh, December 1952; Assistant Accountant General, Madhya Pradesh, January 1954; Deputy Accountant General (Central Revenues), 1956-57; Special Research Intern, United Nations, 1955-56; Officer on Special Duty, Office of the Comptroller and Auditor General, April 1957—.





CONTENTS

	<i>Page</i>
Civil Service Neutrality	<i>S. Lall</i> 1
Incentive Awards in the Public Service	<i>D. G. Karve</i> 14
Administrative Co-ordination in Community Development	<i>B. Mukerji</i> 19
Improving City Government	<i>P. R. Nayak</i> 31
Democratic Decentralisation in Local Self-Government	<i>Arch Dotson</i> 38
Accountability in the Corporate Sector	<i>D. L. Mazumdar</i> 51
Henley and Hyderabad	<i>J W. L. Adams</i> 66
The Railway Rates Tribunal	<i>Amba Prasad</i> 79
Editorial Notes	94
Recent Trends in Public Administration in India	95
News from Abroad	106
Institute News	109
Digest of Reports	112
Estimates Committee (Second Lok Sabha), Fourth Report (Ministry of Education and Scientific Research—Elementary Education)	
Book Reviews	
<i>The Study of Comparative Government and Politics</i> (Gunner Heckscher)	<i>V. K. N. Menon</i> 116
<i>Party Politics in India</i> (Myron Weiner)	<i>S. V. Kogekar</i> 116
<i>Village Panchayats in India</i> (H. D. Malaviya)	<i>S. L. Khurana</i> 117
<i>Constitutional Developments in India</i> (Charles Henry Alexandrowicz)	<i>M. V. Pylee</i> 120
<i>The Indian Financial System</i> (O. K. Ghosh)	<i>Anand K. Srivastava</i> 125

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

Vol. IV

January-March 1958

No. 1

Personnel, Public - Political activities

CIVIL SERVICE NEUTRALITY

S. Lall

THE concept and practice of civil service neutrality is vital to the successful functioning of a parliamentary democracy. The tradition of civil service neutrality in India is a heritage of British rule. The British Civil Service is world famous for its political neutrality, impartiality and integrity. "The characteristic which has long been recognized in the British administrator and extolled as a special virtue is his impartiality, and, in his public capacity, a mind untinged by political prepossession."¹ The civil services of independent India have also a creditable record in matters of political neutrality. The manner in which the members of the Indian Civil Service have adapted themselves to the changed social and political conditions of post-independence India and the ability they have shown in shouldering new and increased administrative responsibilities in economic and welfare matters are ample testimony to their non-partisan character.

The traditional concept of civil service neutrality is, however, undergoing radical change under the impact of many factors some of which are common to all nations and others special to under-developed countries like India. The concept, as we shall see presently, is being rapidly transformed, without a conscious realisation, from a negative doctrine of political sterilization and neutrality to a positive, non-partisan participation in the management of the country's affairs. It would perhaps be appropriate to examine here, in the first instance, the various developments which tend to destroy the time-old concept of civil service neutrality, as also to take stock of the forces which are working towards its re-orientation and reinforcement in a more positive form.

The traditional doctrine of neutrality is based on a dichotomy of the governmental process into *politics and administration*, i.e.,

1. *Report of the Committee on the Political Activities of the Civil Servants*, (Chairman : J.C. Masterman), Cmd. 7718, H.M.S.O., London, 1949, p. 14.

'decision' and 'execution'. The main functions of the political executives are supposed to be decision making and policy formulation; of administration, the execution of policies so formulated. The "politics-administration" dichotomy might have been true two hundred years ago; but it is hardly valid today. The process of decision making is no longer confined to the ministers; it is diffused over the entire system of government. Government is one, a unity. The ministers may give final shape to policies, but these policies and sub-policies are being constantly readjusted in a seamless web of a multiplicity of agencies. The decision making process has recently become very complex and dispersed as a result of the enormous increase in the scale and scope of governmental activities (particularly in matters of welfare and state enterprise), the pressures thrown up by the democratic processes involved in the establishment of an egalitarian society and the increasing complexity of modern civilization. The higher echelons of the civil services today not only advise and assist the ministers in the formulation of policy; they indirectly influence decision making. While, in theory, civil servants are supposed to advise ministers about the practical advantages and disadvantages of a particular policy or course of action, and *not* at all on its political aspects; in reality, the political and practical considerations are often inseparable. Politics and administration are increasingly becoming so intermixed that the traditional concept of their segregation is today merely a fiction. Administration is no longer just the execution of policy; it reacts upon policy and actively participates in its making.

The doctrine of civil service neutrality represents a particular stage in the development of the political party system of government. One of its main tenets is that the civil servant should serve loyally the government in power, no matter what is its party complexion. The doctrine presumes a substantial agreement between the various political parties of the country in regard to the basic framework of the State. When the Labour Government first came into power in England, doubts were expressed about the ability of civil servants to serve it as faithfully as it had served the Conservative Government. Harold J. Laski observed: "No Government, in the period of the modern Civil Service, has embarked upon measures which have called into question the foundations of the State. Succeeding Governments have differed in degree; they have not yet differed in kind. The neutrality of the Civil Service has not yet been tested by the need to support policy which, like that of a Socialist Party, might well challenge the traditional ideas for which it has stood."² These doubts have since, so far

2. *Parliamentary Government in England*, London, 1938, p. 317.

England is concerned, been dispelled by the high tributes paid to the impartiality and neutrality of British Civil Servants by top ranking Labour leaders like Mr. Herbert Morrison and Mr. Clement Attlee.³ That, however, has in no way clinched the issue. With the expansion of the public sector and the increase in the regulation and control of private enterprise, the gulf between the political parties, in many modern States, has narrowed down in certain respects; it has also widened in regard to many other matters. Both these developments have tended to disrupt the traditional concept of civil service neutrality. The narrowing of the gulf in regard to certain matters of the party programme has given to the civil servants a greater weight in the determination of policies. For instance, two parties may stand for nationalisation of an industry but disagree in regard to the quantum of compensation to be paid. The civil service would in these circumstances develop certain ideas of its own. How could it be expected to marshall the same facts and figures to support the two divergent policies if one party succeeds another before nationalisation is carried out? Again, the widening of the gulf in regard to some basic issues may strain the loyalty of civil servants, steeped in a particular tradition and value-structure, to a breaking point. A similar situation may also arise as a result of general political instability in the country. How the widening of the gulf between the political parties, or political instability, affects civil service neutrality is well illustrated by developments in some of the Latin-American and South-East Asian countries in recent years.

A third factor is the pivotal role the civil servants are being called upon to play in under-developed countries, especially those of South-East Asia. These countries have in recent years embarked upon ambitious plans of development; they are simultaneously engaged in the new and difficult task of working infant, sovereign democracies. The successful carrying out of tasks of both types—development and democratization—requires on the part of administrators not only qualities of initiative, leadership, and taking of responsibility but also an emotional and intellectual integration into what may be called democratic social values, *i.e.*, habits of democratic thought and living, of sub-ordination of sectional interests to considerations of public good. In the administrative politics of today both factual elements and human values are blended together, inextricably, they cannot in practice be strictly separated.⁴ "Public Administration is closely

3. Herbert Morrison, *Government and Parliament* (London, 1954), pp. 334-336; and Clement Attlee, "Civil Servants, Ministers, Parliament, and the Public," *Political Quarterly*, Vol. 25 (October-December, 1954), pp. 308-315.

4. Herbert A. Simon, *Administrative Behaviour*, Macmillan, New York, 1957, p. 57.

intertwined with, and dependent upon the nation's political institutions, traditions, and ideals in a general sense. Public administration is not something set apart from, but is an integral part of the whole system of popular government and democratic ideals".⁵ The concept of civil service neutrality is thus rapidly taking a new shape and content.

II

For a fuller understanding of the new concept of civil service neutrality which is emerging, the main elements of the traditional concept and practice evolved during the nineteenth century and the first half of the twentieth century need examination. In Great Britain, for purposes of participation in political activities, the non-industrial civil servants are divided into three groups; (1) a "free" area of all varieties of partisan activity short of "blatant violation of the public trust"; (2) an intermediate group, covering roughly the middle ranges of the service from typists to higher clerical officers, which is allowed to undertake (subject to an innocuous code of discretion) all forms of political activities except parliamentary candidature; (3) a restricted group composed of the higher officials of the service, which is denied all political rights except voting, passive party membership, and local government activity, the latter to be engaged in only with departmental permission and after the individual has agreed to a code of discretion. 62% of the civil servants fall into the "free" area, 22 per cent. into the intermediate group, and 16% into the restricted class. The present arrangements are based on the recommendations made by a Whitley Council Committee within the general principles of the Masterman Committee Report.

The British practice today represents an excellent reconciliation between the vital need to preserve public confidence in the integrity and political impartiality of the civil service and the civil rights of Government employees. The all-service rule is "a general exhortation of long standing" to the effect that "civil servants are expected to maintain at all times a reserve in political matters and not put themselves forward prominently on one side or the other."⁶

The main ingredients of the British concept of civil service neutrality are : (1) public confidence in the freedom of the civil service from all political bias; (2) ministers' confidence in obtaining loyal service

5. William Anderson and J.M. Gaus, *Research in Public Administration*, Chicago, 1945, p. 106.

6. *Report of the Committee on the Parliamentary etc. Candidature of Civil Servants*, (Chairman; Blanesburgh), Cmd. 2408, H.M.S.O. London, 1925.

from the civil servants irrespective of what political party is in power; (3) high staff morale based on confidence that promotions and other rewards do not depend upon political origins or partisan activity but on merit alone. About the first two, the general tenor of the evidence from senior officials before the Masterman Committee was "If Civil Servants . . . were allowed freely to engage in politics, to stand for Parliament, to return to the Service after sitting as M.P.s, and thus to declare their adherence to one party or the other, the public's belief in their impartiality and the Ministers' confidence in their ability to give equally loyal service to whichever party was in power would rapidly be destroyed with disastrous results to the Service and to the country".⁷ The Masterman Committee, supporting the recommendations made by the Blanesburgh Committee in 1925 about "the necessity of maintaining, without possibility of question, the public confidence in the political impartiality of the Public Service", further observed : "This need is, we think, axiomatic and will not be disputed. On the contrary, we believe it will be generally agreed that the efficient and smooth working of democratic government depends very largely upon maintaining that confidence and on people believing that, notwithstanding political change, the Civil Service will give completely loyal service to the Government of the day. We think, moreover, that the extension of the functions of the State in the last few decades greatly increases the need for maintaining the impartiality of the Service. We have worked upon the assumption that this confidence must be maintained even at the cost of certain sacrifices. Entry into the Civil Service is a voluntary act and there can be no reasonable complaint if the conditions of service include some restrictions (as is the case in certain other professions and employments). The public interest demands, at least amongst those employees of the State who correspond with the common conception of the Civil Service, a manner of behaviour which is incompatible with the overt declaration of party political allegiance."⁸

As regards the third ingredient of the concept of civil service neutrality, concerning the relationship between civil servants and his fellow employees, it is well recognized that "the suspicion that promotions and other rewards depend upon the proper political allegiance or a prescribed amount of partisan activity would constitute a danger to the merit system, the morale of the career service, and the prospects for a greater professionalization of the administrative process. A really substantial commitment to political action, it is thought, would

7. *Report of the Committee on the Political Activities of Civil Servants*, Cmd. 7718, H.M.S.O., London, 1949, p. 13.

8. *Ibid.*, p. 14.

undercut staff morale and raise a multitude of suspicions, legitimate or otherwise." "By insulating its career servants from this involuntary identification with partisan policies, the British have enhanced the possibility that a tradition of impartiality may be cultivated and have removed one threat to intra-service morale."⁹

The concept of political neutrality in England, as elsewhere, is conditioned by the institutional and value-structure of the nation's political system. "Civil service neutrality in England grew out of the requirements of parliamentary government, where the absence of fixed terms of elected officials and where the possibility of quick changes in government make the continuity of the administrative personnel essential. It was also an instrument for guaranteeing that the popular will, as expressed by Parliament, would be loyally carried out by the administrative staff."¹⁰

In the United States, restrictions on the political activities of the civil servants are more severe than in Great Britain. Legislation or, more frequently, departmental regulations place varying restrictions on the activities of employees depending upon the nature of their work and their relations with the public. The main provisions are embodied in the Hatch Act and the policies and regulations set forth in the *Federal Personnel Manual*, particularly Chapter C2, "Conduct". State and local conditions are extremely diverse but have been strongly influenced by the Hatch Act, in particular by the extension to employees paid in whole or in part out of Federal grants-in-aid. The principal limitations upon political activity fall into four groups : (1) those prohibiting the solicitation of campaign contributions or party funds and the holding of office in party organisations; (2) those prohibiting campaign activity; (3) those dealing with political candidature; and (4) limitations on the right to organise and on the use of organised pressure to further the interests of the membership, particularly in association with a partisan group. The Hatch Act prohibits, in the main, all categories of civil servants from 'assuming any active part in political management or political campaigns.' Removal from office is prescribed as a mandatory penalty for violation.

This greater political sterilization of civil servants has not, however, led to the same beneficial results as in England. This has been primarily due to the prevalence of the 'spoils' system in that country. As Spero points out :—

"Despite their severity, the civil service regulations

9. James B. Christoph, "Political Rights and Administrative Impartiality in the British Civil Service," *American Political Quarterly*, Vol. LI, No. 1, (March 1957), p. 74 and p. 86.

10. Sterling D. Spero, *Government as Employer*, Remsen, New York, 1948, p. 55.

and the Hatch Act do not touch the central problem of political influence in the federal service, namely, the interference of Congress and outside politicians with internal administrative and personnel processes. Every federal employee, particularly in the field service, knows that the important positions are filled not on the basis of merit and efficiency, but on the basis of political affiliations. This condition divides the workers into two groups : those who refuse to play the political game and seek outside help for their advancement, and those who will use any means to gain their ends. The second group includes a large number of employees whose work is unsatisfactory and who seek the protection of the political club to save them from the results of the disapproval of their chiefs. These employees, once in a political organisation, become increasingly active in ways beyond the reach of laws and regulations and soon become aspirants for promotions to better jobs. A large number of supervisory posts thus come to be manned by persons drawn from the least qualified"¹¹

The Presidential system of Parliamentary Government with a rigid separation of powers gives the American Cabinet much less control of the legislative processes than in Great Britain and India. The "bureau chiefs", some of whom are drawn from the federal civil service, therefore, find it essential to build up support in Congress from among the members of both the political parties who are favourably inclined towards the bureau programme. Effective building up of support in Congress has thus become a substantive function of the bureau administrators, whether political appointees or civil servants. This political aspect of the duties of bureau chiefs was recently emphasised by Dean Harlan Cleveland of Maxwell School of Citizenship and Public Affairs, Syracuse. In an address to the Indian Institute of Public Administration he stressed that the American executive has to be imbued with a sense of public interest, be at ease with the growing complexity and be a leader of men.

It will be interesting to note here that the Second Hoover Commission has recommended that 'career administrators', as rapidly as possible, should be relieved by non-career executives of responsibility for advocacy or defense of policies and programmes and should be

11. *Ibid*, p. 30-51.

kept out of direct participation in political controversies.¹² The Commission has also recommended the creation of a 'politically neutral' Senior Civil Service. The Task Force on Personnel and Civil Service set up by the Commission has commented as follows on the political role of the bureau and division chiefs in the federal government :

"The department heads left it to bureau chiefs, and the bureau chiefs relied upon division chiefs to negotiate directly with committees of Congress for legislation and appropriations, to sell new policies to the public, to mobilize support, and to defend the administration's actions. That is, the basic duties of political leadership were devolved upon men far down in the administrative hierarchy who presumably were on the civil service career ladder. Career civil servants at grades 13 and 14 found themselves across the table with senior Senators and Representatives arguing for proposed legislation, pleading for appropriations, and defending the administration's position in other ways. They worked with interest groups; they made public speeches on unsettled questions of policy; they took the 'heat' off political issues. They fought the political battles of their divisions or bureaus with very little assistance from the department heads. This was not always the situation, but it tended to be a common pattern.

Although this kind of political activity was thrust upon administrators several echelons below the top, it must be noted that it was not always unwelcome. Many bureau and division chiefs learned to be effective in the political role, and some relished the part. One consequence was to throw the administrator into the arms of those groups most concerned with his organization's operations. The support of organised interests was invaluable in securing legislative and financial support, and such groups had to be cultivated or conciliated. The control of special interests over the Government was greatly increased in this process, and control by the Chief Executive through his department heads was diluted."

To remedy the above state of affairs the Task Force further observed that 'the constitutional logic and the practical logic both

12. *Personnel and Civil Service*, A Report to Congress. Commission on Organization of the Executive Branch of the Government, Superintendent of Publications, Washington, February 1955, p. 29.

13. *Report*, p. 4-5.

make clear the need to man responsible executive positions in departmental management with political executives, using career administrators at that level only for staff work and in staff offices. On the other hand, bureau management should be in the hands of career administrators'. . . . 'Political authority and responsibility, must be centred in management at the departmental level. It is the level of control, the policy level—the political level' . . . 'At the bureau level, one echelon below the department, the management requirements and functions are quite different. Although bureau problems are interlaced with policy, they are heavily technical and administrative in character.' 'If political responsibility and authority were to descend to the bureau level and to be fixed there, the public's interest and its capacity to control would be frustrated.'

Comparing the British and American practice in matters of civil service neutrality, we thus find that Great Britain has been able to achieve greater harmony between interests of the civil servant as an individual citizen and his interests as a public employee. "The process of reconciliation has been slow, and it is still going on. It has not been complicated, however, by the insertion of some additional factors—for example, a spoils tradition that subjects government officials to strong party pressures, or political situations in which factions strike at each other by tampering with civil service personnel. By confining the controversy to the questions of public and ministerial confidence and civil rights, the Official and Staff Sides have been able to find sufficient areas of agreement to permit a gradual, but nevertheless liberal, extension of political rights to the majority of classes and grades".¹⁴

The American scene, however, represents the inter-play of the forces of egalitarian political democracy and a fast developing economy; the application of the concept of the civil service neutrality in that country exhibits certain characteristics and tendencies which are also developing in India. The next part of the article is devoted therefore to the reformulation of the concept of civil service neutrality in the context of political and social conditions obtaining in our country.

IV

In India, the civil service conduct rules prohibit the government employees from *active* participation in political activities. They cannot also join any service association which has not either been recognized

14. James B. Christoph, *op. cit.* p. 86.

by the Government within six months of its formation or the recognition to which has been withdrawn. These restrictions are generally observed, though the position is somewhat fluid in the case of "industrial" government employees. At the time of general elections it was alleged that there were certain political activities or bias in favour of the ruling party.

On the whole observance in India of civil service neutrality, to the point of *total* political sterilization of the individual civil servant, has often led to the weakening of initiative and responsibility. That the civil servant should be non-partisan and objective is obvious enough; but that the concept of neutrality should make him colourless and mechanistic to the point of disinterestedness in the public good can hardly be accepted today.

It seems, therefore, necessary here to differentiate between "partisan political activity" and "programme activity" of the civil servant. As Paul Appleby points out "All administration and all policy-making within the Government are political, but only a small part of either, by mass, has identifiable partisan character."¹⁵

We have already seen how the American career-executive is being increasingly called upon to muster support in Congress for the financial and policy aspects of the bureau programme. A more or less similar development is taking place in India too. Here, while, on the one hand, the number of political executives in Governments is going up as a result of the creation of more and more deputy and assistant ministers, on the other, the requirements of speed and success in the development work require on the part of the top-administrator a positive, bold attitude of mind to push ahead with the programme of his Department with the co-operation and association of the people and their representatives. Even in contemporary England "in the formulation of policy a Higher Civil Servant is advising and assisting a Minister not only to carry through a policy which is the policy of a majority party in the House of Commons, but also to defend that policy against the criticisms and attacks of the party or parties in opposition. He works in the midst of party politics. He must be aware of party politics; indeed he ignores it at his peril. A first requirement of a Higher Civil Servant is a political sense."¹⁶

While the higher civil servants should be 'imbued with public interest' and should have a lively sense of contemporary politics and a deep understanding of the varied and complex forces at work, they

15. Policy and Administration, Ala. University, 1949, p. 64.

16. K.C. Wheare, *The Civil Service in the Constitution*, Athlone, London, 1954, pp. 26-28.

should not, all the same ordinarily get mixed up with political controversies. Here, one is tempted again to refer to Appleby's illuminating observations :—

“In all governments having systematic civil services the great emphasis is still on keeping politics out of the civil service and out of ‘administration’, without much conscious or extended attention to the bridging problem. It similarly may be said that the invocation of “political neutrality” on the part of civil servants—central to the original reform insofar as the partisan political is concerned—tended to be made to appear to extend to “program neutrality”. The inference sometimes is that an administrator will do as well in carrying on a program he is not much interested as he will in handling one about which he is especially enthusiastic. The inclination was to a belief that ‘administration’ is mechanical, merely technical, unvarying. Politics is essentially the reconciliation of different forces, functions, facts, ideas and interests. All government is political in carrying on this reconciliation. All of it that is not specifically handled by ministers, cabinet or party is handled by administrators. Theirs is the ‘pre-partisan or sub-partisan political’ field.”¹⁷

As mentioned earlier, the dynamics of our developing economy and egalitarian democracy necessitate on the part of all citizens a living faith in democratic values and a growing dedication to public interest—these are all the more necessary today in the case of civil servants; mainly because, next to politicians, civil servants are in a position of authority to ensure the promotion of the public good. “The most important thing is the acceptance within the higher civil service of a reorientation toward its role. The men of the top cadre must shift their attention from watching ‘processes’ to measuring their impact, from ‘getting things done’ to giving each citizen his due, from the technology of administration to its effect upon the general public, from utility to ethics. Not what is being said but what is being done will decide whether the ‘administrative state’ will stand out eventually as a benefactor or as a destroyer. It is for the civil servant to realise that much of which can be done must be his doing.”¹⁸

The civil servant must observe “neutrality” as between the political parties; he cannot, however, afford to be neutral in regard

17. Paul H. Appleby, *Public Administration in India—Report of a Survey*. Cabinet Secretariat, O & M Division, p. 25.

18. Fritz Morstein Marx, *The Administrative State*, Chicago Uni. Press, 1957, p. 186-187.

to the basic objectives of a welfare state and socialistic pattern of society which are today our accepted national goals. With the expected enormous (may be, even overwhelming) expansion of the public sector in the next few decades, it will be wrong to suggest that the great majority of civil servants should not take active interest in the programmes for promotion of the public good. To refer to Fritz Morstein Marx again: "it would be preposterous if the civil servant confined himself to periodically checking the links in the chain of decision-making. Beyond such concern with procedure, he should exert himself to make sure that each proposed decision is the right decision. Nor should he stop when he comes to the boundaries drawn around the rationality of day-by-day utilitarian choices—when he has assured himself of the means-and-ends relationships of administrative purposes, the attainment of economy and efficiency, the calculus of benefits. The right decision must meet a higher test. It must accord with the general interest, the constitutional spirit, and the moral principle. Nothing short of this will do."¹⁹

If the civil servant is to be the 'guardian angel' of the public interest as suggested above, it is necessary that he should be protected against the corroding influence of politics. The recent Chagla Enquiry has revealed the weak-spots of the relations between the Minister and the Head of a Government Department, as also between the senior civil servants in government and the executive officers of state enterprises. There is also a visible tendency on the part of the senior civil servants not to weigh impartially and fully explain the pros and cons of a particular policy which they may be asked to follow: in any case occasions where the higher civil servants have stood up boldly on grounds of genuine difference of opinion are becoming few and far between. Civil servants have an intrinsic duty to make known their disagreements with their Minister when they are satisfied that their own stand is in the general interest of the public.

I believe there is a practice in England that if the Head of a Department falls into the disfavour of the Minister on a genuine difference of opinion on matters of policy or its execution and if the Minister makes an adverse entry into his character roll, the permanent head of the civil service also makes in the character roll the necessary note about the likely political bias in the Minister's findings. If civil servants assisting in policy making are to discharge their functions honestly and conscientiously, their career should not be prejudiced by political bias. However, this protection must not be abused. The ultimate responsibility is that of the Minister. He is

19. *Ibid*, p. 184-185.

always responsible for what is done in his name; but more often than not he is ignorant of it. "It would seem likely that Civil Servants accustomed to act on behalf of or in the name of Ministers may be tempted at times to think and act as if they were Ministers". "*Civil Servants may be statesmen in disguise, but they must not be Ministers in disguise*²⁰."

If civil servants are to play successfully the new affirmative role in administration, one cannot be complacent about their social backgrounds and leanings. In England, a recent study has brought out the over-representation of the upper and middle social strata in the Administrative Class.²¹ In fact, it was even contended earlier that "what is wrong...with the British Civil service is something that is wrong with the middle class and its nineteenth-century standards"²². A similar study in India will obviously be quite revealing.

In brief, the role of the civil service is gradually changing from being a mere agent of the political executive to that of a collaborator whose sole interest is the general welfare. The doctrine of civil service neutrality is yielding place to a broader concept of a positive role in the formulation and execution of policies and the maintenance and promotion of the public interest. As years go by, this new concept should blossom forth into a recognised code of civil service ethics, which will enable the ministers and the civil services to work together for the common good.



20. K.C. Wheare, *Ibid*, p. 29.

21. R.K. Kelsall, *Higher Civil Servants in Britain*, p. 201.

22. A.L. Rowse, *The End of an Epoch*, 1947, p. 121.

INCENTIVE AWARDS IN THE PUBLIC SERVICE

D. G. Karve

IN many countries, if not in most, operations of governmental agencies are proverbially inefficient. It rarely happens, however, that in a country where the non-governmental sector is noted for its efficiency, the governmental sector alone turns up as inefficient. Except that there are some inherent limitations on the use of personal discretion in a constitutional government there is really no reason why efficiency of public administration, including quality as well as cost, should compare unfavourably with that of business administration. While in both types of administration extreme variations must be allowed as exceptions, the general rule of comparability would prevail. The human personnel as well as social standards obtaining in each country would tend to be so much a common feature of the two systems that it would be surprising to find any serious difference of performance between the two.

This lesson is convincingly borne out by experience in U.S.A. It is noteworthy that it has rarely been alleged in that country that governmental agency would not be able to do a job well. The claim has always been that it is not proper for the government to do what private agencies can do as well. The methods to sustain efficiency adopted by the two sectors are almost identical. As a rule the personnel which directs the activities of state agencies is drawn from the broader field of private and corporate experience. They tend naturally to adopt, in the conduct of public departments and institutions, the same methods of administration as have been known to yield good results elsewhere. The American Congress contains a large number of members who are appreciative of these methods, so that when the performance of a public agency comes to be judged by Congress the standards commonly applied are those which are based on successful results, rather than in conformity with prescribed rules or precedents.

Among the characteristic instruments for the promotion of initiative and efficiency adopted in the public services in the U.S.A. are incentive awards. This programme was launched late in 1954 under the provisions of the Government Employees' Incentive Awards Act as an aid in making government operations more economical and efficient. Awards may be *cash*, up to \$25,000 for a single contribution, or *honorary* or both. Employees can earn awards for beneficial

suggestions, inventions or for outstandingly superior performance may be considered normal or even ordinarily good work in any position. Awards may be won by groups as well as by individuals, and for making intangible as well as material contributions towards more successful administration of public business. If a contribution is specially outstanding a Presidential award is made in addition to any benefit which the normal programme of incentive awards may provide.

Suggestions which promise real improvement—those that save time, materials, or man power; reduce costs of repairs; improve house-keeping and working conditions; simplify forms, procedures, or processes etc.—are welcome in all organisations. The Government Employees' Incentive Awards Act extended, liberalized and co-ordinated, under a single system administered by the Civil Service Commission, a variety of programmes previously conducted by individual federal agencies. The main emphasis in the programme is on promoting increased employees' participation in improving government operations. The Annual Report of the United States Civil Service Commission for the year 1956 states that "record-breaking numbers of employees joined hands with management in a partnership aimed at improving Government operations". The highlights of the programme for the fiscal year 1956 were:

- (i) Tangible benefits to the Government of a tune of \$102,099,120;
- (ii) Cash awards of \$5,885,891, to employees;
- (iii) The first \$5,000-award for a suggestion; and
- (iv) Awards for superior performance to more than 20,000 employees.

Even more striking than these figures of physical achievement is the increasing fervour which employees' groups as well as managements are showing for the programme, both for its underlying principle and for its main features. This itself is borne out by the following significant increases over the fiscal year 1955:

	<i>Per cent</i>
Ideas received	.. up 35
Ideas adopted	.. „ 41
Dollar benefit from ideas	.. „ 38
Superior performance recognition	.. „ 250
Amount paid in awards	.. „ 125

A constant improvement in the system of execution of policy and the rendering of service can be maintained by the encouragement

of initiative. The element of discrimination, involved in recognizing merit by grant of permanent increases in salary or by out of turn promotion, is avoided by giving superior performance awards for specific cases of special efficiency in work. A continued eligibility for recognition on account of superior performance would itself constitute a more specific ground for the award of such more permanent benefits as promotion in salary or grade.

II

As the systematic use of the incentive award system in the U.S. Civil Services is only a recent development, further progress, both in regard to its coverage and effectiveness, is to be expected. But even as it is, its record compares favourably with that of a similar system in the private sector. How varied is the influence of the new system in promoting all-round efficiency in the public service of U.S.A. will be seen from a few individual cases:

- (1) The largest to date award, \$5,000, was presented to Gerald Archdeacon, Maintenance Inspector, Newark Transportation Control Depot, for suggesting a skeleton deck on a freighter. The use of this deck expanded the capacity for carrying aircraft from the hatch area to virtually the entire deck space. It permitted the Air Force to land 38 aircrafts on the deck where formerly there was room only for 8. The U.S. Government benefitted from this idea through lower shipping costs, reduced transportation time and increased combat readiness.
- (2) Contrasting with this record of highest amount hitherto paid is another at a very much more modest figure of \$15. Mr. Joseph Brown, an employee at the Bureau of Engraving and Printing suggested that the rubber glove worn by the Plate Printers would wear longer if reinforced between the thumb and the index finger. The Bureau realized a saving of \$270 a year from the adoption of this idea. Mr. Brown who received the small award for his initiative, had the added satisfaction of seeing his idea in daily use.
- (3) Mary Mitamura, Clerk-typist at the Naval Supply Depot, Ogden, Utah, turned out, hour after hour, and day by day, far more work than others on the same type of job. Her production was 40% above the established standard. Her supervisor recognized her outstanding work and she was presented with a \$100 award.

- (4) In the Bureau of Reclamation a group of employees, working as a team, developed a better design for high voltage electro-line towers. The new design, applied to a 150-mile line, saved enough steel to build a 14 storey building. In dollars the value amounted to \$1,616,000. Each member of the 10-man team received a \$200 award.

In many instances, particularly in connection with superior performance, an employee is considered for a commendation or medal from a top official of his department. In many cases this is coupled with a cash award. During the fiscal year 1956, 223 employees received the highest honorary award that could be given by the head of their department. Though the execution of the incentive award programme appropriately lies with individual departments and agencies, the Civil Service Commission furnishes leadership and assistance in a variety of ways. Apart from publishing an informative report on the awards and performance in the several agencies, the Commission publicises to all levels of management and personnel, the main features of the scheme. The Commission carries out inspection of the programme in the various establishments, and utilizes the results of these inspections to improve the programme itself. The managements are kept constantly informed of these improvements so that every unit of public service has the most advanced scheme of incentive awards in operation. Under the leadership of the Civil Service Commission considerable inter-departmental co-operation in ideas and equipment is promoted.

Illustrative of the constructive enthusiasm evinced by departmental heads are the following appeals to their respective employees addressed by the Secretary of the Treasury and the Deputy Postmaster General:

“As public servants we have a special duty to reduce Treasury’s operating costs to the lowest possible level. We are depending on your efforts and your suggestions to help us meet this obligation to our fellow citizens”.

“We want new ideas—the most imaginative we can get. It’s never-been-done-before is out of the window. We believe that every custodial employee, clerk, supervisor, and official has many constructive ideas which could be used in making beneficial changes”.

The 1956 Report of the United States Civil Service Commission records that “a year and 7 months of operation have thoroughly established the Incentive Awards Act as sound and effective legislation

giving policy direction with sufficient administrative flexibility for application to the widely differing functions and missions of the executive branch." The overall guiding principle is to use incentive awards as a prime means to progress every employee's business.

III

In India the private sector of business employs financial incentives of promoting efficiency to a very limited extent. It is, therefore, not surprising that the so called public sector has given no better account of itself. Both for business and for public administration a judicious adoption of incentive awards would go a long way in keeping up the initiative, interest and inventiveness of the large number of participating employees without whom no large-scale administrative or executive task can now be accomplished. Here is a definite field, in business as well as in general administrative agencies, for the public administration planners to set a good example to themselves, as well as to their opposite numbers in the private sector.

ADMINISTRATIVE CO-ORDINATION IN COMMUNITY DEVELOPMENT

B. Mukerji

THE planned development of any country necessarily requires co-ordination, both in the preparation of the plans of development as well as in their implementation. The importance of administrative co-ordination was, therefore, rightly emphasised both in our First Five Year Plan and the Second. But the programme of Community Development, more than any other, has helped to highlight the problems of administrative co-ordination and to reveal its complex character and many ramifications. The Community Development Programme, if it is to be at all successful, must aim at full balanced development of the community. It has, therefore, to be a multi-purpose programme which attacks simultaneously all the rural problems. This makes it essential that the local programmes in each substantive field should be co-ordinated both in planning and execution. Further, a Community Development Programme on a national scale, such as we have undertaken, requires that the local programmes should be fully supported by the National Plan. In fact, they should be an integral part of that Plan. They would need the support of "consistent policies, the mobilisation of local and national resources and the organisation of research, experimentation and evaluation. Economic and social progress at the local level necessitates parallel development on a wider national scale". Thus it becomes necessary that administrative co-ordination, both in planning and implementation of programmes, should be secured not only at the local level but at all higher levels too, going right up to the level of the Central Government. The co-ordination has to be not only in the execution of programmes at each level but also between the programmes at different levels and also in national policies that must support each other and support the local development. Without achieving co-ordination in this comprehensive sense administrative co-ordination would often become infructuous.

To illustrate this point : it can easily happen that while the Community Development Programme at the local level would attempt at utilising fully the resources of voluntary non-governmental organisations and to promote people's organisations and people's co-operatives, the policy at the national level may be out of tune or even hostile to such an endeavour. If the policy for the development of Co-operation

regards co-operatives merely as the 'means' for providing credit for the development of agriculture and rural industries and not also as a social weapon for promoting an egalitarian social structure, community solidarity and ideas of self-reliance and mutual aid, the policy will be out of tune with the objectives and approach of Community Development and will militate against its success.

The need to make the Community Development Programme a people's programme makes it necessary that there should be the fullest co-ordination between the Government organisation, on the one hand and the people's organisations on the other. People's participation should not be understood in the narrow sense of the contribution, whether in cash, labour or material, that they make for community works. It should be understood in a much wider sense. To quote from the Report of the Balvantray Mehta Study Team, "It is their full realisation that all aspects of Community Development are their concern and the Government's participation is only to assist them where such assistance is necessary. It is the gradual development of their faith in the efficacy of their own co-operative action in solving their local problems". Rightly the Team came to the conclusion that such participation is possible only through the organisation of co-operative institutions and of elected democratic bodies. Our experience of the last five years that the Community Development Programme has been in operation, "has already demonstrated that only normally organised and fully empowered units of continuous local administration can shoulder the responsibility of organising community life on progressive lines". Decentralisation of democracy has been made a part of our National Plan. Administrative co-ordination thus acquires a new dimension.

II

In the initial stages of the Community Development Programme more attention was paid to securing co-ordination at different levels of the administration through a single line organisation consisting of the Development Commissioner at the state level, the District Officer at the district level, the Block Development Officer at the block level and the Village Level Worker at the village level. The basic function of the Development Commissioner was conceived as one of co-ordinating the activities of the various development departments and seeing that they work towards the fulfilment of the overall plan for the State. It was emphasised that the Development Commissioner should not set up an independent Development Department but should regard himself as the captain of a team

consisting of heads of different development departments in the State. Functions similar to those of the Development Commissioner were given to the District Officer, the Sub-Divisional Officer and the Block Development Officer. The multipurpose Village Level Worker was to be regarded as the last link in this administrative chain and was to be treated as a part of the District administration and not of any separate department. Above the village level technical officers were to belong to the different development departments but to be under the supervision, for purposes of co-ordination, of the general Administrative Officer of the appropriate level.

At the State headquarters there was to be an Inter-departmental Committee of Secretaries in charge of the various development departments. There was also to be a Committee of the State Cabinet under the Chief Minister to provide overall guidance and direction. Similarly, at the district level there was to be a District Development Committee consisting of the district level officers of the different development departments with the Collector as the chairman. Co-ordination between the agencies of Government and the non-official agencies was sought to be achieved through the creation of State Planning Boards, District Development Boards and the Block Advisory Committees, all of which included representatives of the people and non-official leaders of public opinion, such as Members of Parliament and of the State legislature, sarpanchas, representatives of the co-operative movement, leading agriculturists, etc.

Despite all the efforts that were made to define the correct role of the Development Commissioner and the line organisation below him, it cannot be denied that for a long time the belief persisted in other departments, and seems to persist even now to some extent, that a separate Development Department had been created under the Development Commissioner. The reason seems to be that the Development Commissioner had to be given an organisation even to perform the role of a co-ordinator, and with the block schematic budgets at his disposal and a programme to implement, he naturally created the impression that he was functioning as the Head of a newly created Development Department. But in the circumstances then obtaining the arrangements made could hardly have been different. It was soon realised that in such a situation it was difficult to obtain the full co-operation and support of the different development departments to the programme of community development taken up in the blocks. It was also apparent that without such support the programmes in the blocks, financed solely from the schematic block budgets, would remain weak and ineffective and the objectives of community development will hardly be achieved. All

attempts to make the other departments concentrate their efforts in the development blocks, and assist the block organisations in their programme, met with meagre success. Often, it was noticed that even the responsibility of a development department for its own programme was being weakened. This was the picture of co-ordination among the administrative agencies.

The picture in regard to co-ordination between the administrative agencies and the people's organisations was no better. The advisory committees, functioning at the different levels, did not succeed in giving to the programme the character of a people's programme, though some of these committees worked fairly well in discharging their limited responsibilities. It was becoming apparent that the whole approach to the question of co-ordination needed to be revised. An attempt has been made below to indicate some of the directions in which this re-orientation is taking place or needs to be promoted.

III

In the first place, the endeavour has been to make the N.E.S. the common agency of all the development departments. In fact, this should be precisely its position since it is the agency especially set up to take up an integrated programme of rural reconstruction through the community development approach and by applying 'extension' methods. If the N.E.S. is to be used as an agency by all the development departments, the responsibility for the success of a specific programme should devolve more and more on the concerned development department itself. Here, the distinction between the programme financed from the funds in the schematic budget of a block and the programme financed from the Department's budget must be removed. To develop a truly co-ordinated programme for the block, the funds from both sources should be pooled and there should be joint planning and execution of a common programme. Starting thus from the idea of the multipurpose V.L.W. as the only common agent of all development departments at the village level, we have logically by now developed the concept of the whole block organisation, working as a unified extension organisation under a single captain—the B.D.O., to be the common agency for all the development departments. The block has therefore tended to become the area unit of planning and development.

In this arrangement, a question that arose was that if the block organisation were to function as the agency of the different development departments, should not the latter have some control over their agent? The different technical officers in the "block team" are to

be officers of the respective technical departments. It was recognised early enough that they should receive technical guidance and be amenable to the technical control of their own superior officers functioning at the district and higher levels. It had also been generally agreed that in order to ensure 'team work', the captain of the team, the B.D.O., must have a measure of administrative, and what is often called 'operational', control over the technical officers of his team, although the distinction between 'administrative' and 'operational' control on the one hand and 'technical' control on the other has not always been easy to draw. The last Development Commissioners' Conference felt that it would be necessary for the district technical officers to issue instructions to the B.D.O. in regard to the execution of the programmes of their departments. The B.D.O. should also consult the district technical officers at various stages. Such an arrangement under which the B.D.O. is made responsible to a number of different technical officers for working of the different aspects of the programme was considered inevitable and sound, and not one that should present any serious administrative difficulty. It has also been regarded as appropriate by the Balvantray Mehta Study Team. Here, the analogy may be cited of the Collector at the district level receiving instructions from various departments of Government, and similarly of the *Gramsevak* at the village level receiving instructions from the various block-level specialists.

A further development following from these concepts is that the block team should be as homogeneous in composition as possible and should attend to the entire developmental needs of the block. The different development departments should not have other independent functionaries of their own of a similar kind but unconnected with the block organisation. This will not only be a rationalised arrangement but also prevent needless duplication of work, avoidable expenditure and waste of personnel.

It was not long before it was realised that many of the difficulties in the execution of the Community Development Programme had their roots either in lack of co-ordination or defective planning. While activities in one field had been provided for in the Plan, necessary supporting activities in some other field had not been included. If a scheme had been prepared with care, sufficient trouble had not been taken to plan out its execution. There was, at times, even lack of co-ordination in policies. It was found that co-ordination in execution, if it was extended to day-to-day control and supervision, however tactfully and ably attempted, could only create resistance to the whole idea of co-ordination among the departments the activities of which were being co-ordinated. This

becomes the case more particularly when the co-ordinator himself is regarded as Head of a Development Department with a programme of his own overlapping the programmes of the other development departments, such as the Development Commissioner and the Community Development Programme had come to be regarded. As Development Commissioner, he has to function as the captain of a team; and so even when co-ordination has to be secured through supervision, the emphasis has to be on common supervision by the whole team and observance by all of basic policies and objectives. The role of the Development Commissioner as Secretary of the Planning Department should therefore now become important and there should be a shift in emphasis in favour of co-ordination through better planning.

What is important to recognise is that planning on a national level, to which we stand committed, will lose much of its reality unless the process travels down to the bottom. There is as much need to work up plans from below as to break up plans formulated from above into district and block plans. *Co-ordination in planning should prepare the ground for co-ordination in implementation.* The process for securing common planning for the block should provide for making the fullest use of the block organisation in the planning as much as in the implementation of the commonly-agreed-to-plan. And this should be done without impairing in the slightest degree the ultimate responsibility of each department in respect of its own part of the plan. The block organisation with its intimate contact with the people and detailed knowledge of the block area, when used for the purpose of planning for the block, will naturally be in a position not only to secure the people's participation in the preparation of the plan but also in its implementation. The guidance that will be given to the block organisation by the agencies of the different departments will ensure that the plan prepared for the block is in consonance with and fits into the overall plan of the department. Thus the key to the whole problem would seem to lie in all the departments using the block agency for the preparation and implementation of the block plan.

From the changes mentioned above, and particularly from the increased responsibility of the development departments, follows the need for strengthening the different technical departments—a need which is becoming more and more apparent every day. Any administrative system which has to rely on multipurpose functionaries, and which imposes the supervision of administrative officers over technical departments, is suitable only for a country still in a very rudimentary stage of development. For the development of our country advance

in scientific knowledge and in technology are the prime requirements; and for this the technical departments must be ensured scope and freedom for rapid growth. It is necessary to give them a sense of dignity and responsibility. Supervision by administrative officers cannot but have a cramping effect on them and defeat the very objective. The system that has grown up in the name of co-ordination in a certain State, under which departments of agriculture, animal husbandry, co-operation and panchayats have been pooled to form a single office and placed directly in charge of the District Collector, cannot but be regarded as a retrograde step. This arrangement, while it may seem to have secured better co-ordination among the pooled departments, has stood in the way of the co-ordination of the activities of the other development departments which have been left out. It was rightly pointed out in the Second Five Year Plan that "the strength of a co-ordinated programme of development lies in the quality of the specialist services which are brought together and co-ordination should be so organised as to bring out the best in the specialists".

IV

In this country the District has always been the pivot of the structure of administration. With the acceptance of a Welfare State as the objective, the emphasis has come to be placed overwhelmingly on development activities. The District Collector has, therefore, come to acquire a key position in the hierarchy of officers entrusted with functions of development and co-ordination. The Community Development Programme has further highlighted this role of the Collector. Where the Collector has been given proper relief from revenue and other administrative responsibilities, he has, by and large, been able to discharge his developmental responsibilities well, but where such relief has not been given to him he has generally not been able to do his development work properly. In many States, Additional Collectors have been appointed to give the Collector such relief, but in several other States arrangements of a different kind have been made to achieve this objective. In some, a District Planning Officer or a Development Assistant normally of the status of a Deputy Collector is being given to the Collector. In some others, where responsibilities of co-ordination at the regional level and of supervision of the work of the Collector even in the sphere of development have been entrusted to the Divisional Commissioner, the latter has been given the assistance of a Development Officer ordinarily of the status of a Project Executive Officer or a Sub-Divisional Officer. It is doubtful whether these latter arrangements can achieve the objective

in view. They are fraught with the danger of interposing another officer between the District Collector and the Divisional Commissioner, and between the District Collector and the other district level officers, which may have the effect of reducing the responsibilities of the District Collector and keeping him out of touch with the development work in the district. The main justification, in the opinion of the writer, of putting the Collector in the position of the captain of the team of development officers functioning at the district level is to take thereby full advantage of the prestige and position which the Collector has always enjoyed in the district. That justification loses much of its force in these other arrangements. The Balvantray Mehta Study Team has made the sound recommendation that the Collector should be given relief from his revenue and administrative duties through the appointment of an Additional Collector.

V

An important development now taking place in several States is to bring in the Divisional Commissioner fully into the administrative organisation for carrying through the development programme, and this for two reasons. First, it is being increasingly realised that with fairly junior officers in charge of districts, as is generally the case now, they need the guidance of the Divisional Commissioner in all matters, and they should not be denied this guidance in the field of development which is the most important work which the District Collector is being asked more and more to do. Secondly, co-ordination at the divisional level, particularly when many development departments have officers functioning at that level, is as necessary as at the district level; and this role can be best played by the Divisional Commissioner. A third reason is that, with the rapid increase in the number of development blocks in every State, and with the secretariat work taking much of the time of the Development Commissioner (he is generally also the Secretary of the Planning Department), it is becoming increasingly difficult for him to do field supervision of the development programme. This role of his can be equally well played by the Divisional Commissioner.

It has been observed that development departments which have been growing in competence, which have their position and status properly recognised and which have been able to adapt themselves to the extension approach as the new emerging role of Government, are more willing to accept the idea of co-ordination. Resistance to this idea is more pronounced in the development departments which continue to remain weak and ineffective, the importance and role of which has not been adequately recognised or which are unable

to adapt themselves to the new 'extension' approach to the problem of rural development. It is being increasingly demonstrated, what we should have always known, that co-ordination is possible only among near equals; it tends to become subordination of the members of the team by the captain if there is wide disparity in the status and calibre of the captain and the members of his team. To ensure that speedy decisions are taken at all levels of administration, importance was attached right from the beginning to delegation of adequate powers to Development Commissioners, District Collectors, S.D.O.s and B.D.O.s. It was soon realised that unless similar powers are given to the officers of all development departments at the corresponding levels, team work could not be assured. These emerging facts further prove the necessity for enhancing the dignity and importance of the technical departments. That, however, will depend to a large measure on the competence of the department and on the ability of the persons that man it. It will also depend greatly on the training and orientation that is given to the personnel of the department, the quality and extent of the research that the department promotes and the 'extension' arrangements that it builds up at higher levels.

This takes us to a further important point. Co-ordination, whether in planning or in the implementation of a programme, can be considerably improved by a proper scheme of training of the personnel belonging to all the agencies, whether Government or people's organisations, that have to work together on a common task of planned development. Training can increase competence and skills but above all it helps to create the correct attitudes and understanding of the nature of democratic planning and development through the 'extension approach' that we have adopted. It can change narrow departmental loyalties to wider loyalties for a cause. It can promote the correct attitudes among Government agencies towards people's institutions, and in the latter towards Government agencies. Indeed such training and orientation is necessary if firm foundations are to be laid for administrative co-ordination needed for the success of planned development.

VI

The improvement of co-ordination between the Governmental agencies and people's organisations calls for a more radical change in approach than what has been necessary in regard to co-ordination within the administration itself. The idea of the people's participation in the programme has to be substituted by the object of converting the entire programme to a people's programme.

In the past, panchayats and other forms of local government have been treated more as an instrument or an agency of the bureaucratic administration than as self-governing institutions of the people. This has been one of the reasons why they have not commanded the respect of the people. This approach has to be basically altered. Local self-governing institutions have to be regarded as instruments of decentralisation of authority to local bodies chosen by and answerable to the local electorate. That electorate must be able to determine local policies so that Government at that level becomes responsible to the needs of the people of the locality. The role of local bodies in planning is as fundamental as in execution. It will not do to merely use panchayats as agencies of the Government for execution of local programmes. The panchayats should plan and execute their own programmes with assistance from other agencies of the Government. The attempt at building up a plan from below, with official agencies leading the process, has been a failure.

Just as the overall National Plan should include within it the local plans and each part of it should be interrelated to the other and supported by it, similarly the central, state and local authorities should constitute links in a single administrative chain and each part should have a role to play in the promotion of public welfare. The panchayat, though functioning in a small area with meagre finances, is really more competent than institutions functioning at higher levels to undertake some of the activities included in each one of the social services that has to be provided by Government if conditions of rural life are to improve. The trend of development in countries which have a longer and better record of local self-government than ours is towards collaboration between formations of Government functioning at different levels rather than towards maintaining rigid separation of functions between them.

The question should no longer be whether functions like education, public health, communications are wholly to be retained by the State Government or are to be transferred to local authorities but that which of the several constituent activities falling under these subjects can be suitably and with advantage taken over by local authorities. Such an arrangement will meet the demands of centralisation and decentralisation alike. It will also ease, to some extent, the financial difficulties of local bodies. For, it will not saddle them with a heavy burden in the field of social welfare and development which financially they are incapable of carrying. In such fields, planning for the country's development has to be regarded as a joint concern of the Government and the local authorities. Thus once again the emphasis has to shift to co-ordination in planning such as will prepare

the proper ground for co-ordination in the execution of the plan between the agencies of the Government on the one hand and the local self-governing institutions on the other.

In the decentralisation of authority, leading to the creation of real self-governing authorities for smaller territorial units, a real further advance will be made in co-ordination both in planning and execution. It is easier for the representatives of the people, functioning for a small area and nearer the people who have chosen them, to reflect truly the needs and wishes of the people and plan for them in a co-ordinated manner than it is for an authority functioning at a distance from the people whose welfare is its charge and for an area large in size with problems of bigger dimensions than local problems. Such authorities have to necessarily function through well-developed separate departments and agencies for different fields of development. It is the nature of the assignment given to higher formations of Government that makes the task of co-ordinated planning and implementation of all local programmes of welfare difficult. This however, in no way reduces the importance of the need for the local plans being fully supported by the National Plan.

VII

The most important requirement, for making co-ordination in planning and implementation of the Community Development Programme a reality and for giving the Programme the significance that it should have, is to promote the development of panchayats and other local authorities to make them real and vital units of local self-government. These have to be promoted with more than mere faith in democracy; with faith has to be combined determination. There is hardly any risk involved in taking such a bold step. On the contrary there will arise a real danger to our infant Democracy if authority is not decentralised in this manner; and the objectives of the Welfare State and the Socialist Pattern of Society will then have little chance of fulfilment. In fact, there will be greater danger to Democracy if the task of economic development and promotion of social justice is undertaken wholly by the authority of Government concentrated in the central and state administrations. In this regard our Prime Minister said on one occasion : "The country is committed to a socialistic pattern of society. To bring about this change we have to do many things in many spheres of activity. But the essential thing is to make freedom secure and broad-based, to bring the people in close association and partnership with the apparatus of administration and more especially, with the working out of our Five Year Plans. We talk

of the people's plan and we talk of the people's Community Project. That is the essence of our approach to this question. No great change can be brought about merely by governmental functioning, although that is important and we aim at great changes. Therefore, it is necessary that these community schemes should be based on the intimate co-operation of the people".

To conclude, the problem of administrative co-ordination, in the Community Development Programme, which appeared in the initial stages as primarily one of organisation is really much more complex. Starting with the attempt to solve it by creating a line organisation, we have come to emphasise co-ordination in planning, co-ordination in policies, co-ordination within the administration and between the agencies of Government and the agencies of the people that already exist and those that have to be promoted as a part of the development programme itself. We have come to emphasise the need for joint sharing of responsibilities by all departments both in the preparation of a co-ordinated plan and in supervising its execution, each taking at the same time full responsibility for its individual programme. We have come to realise the importance of strengthening technical departments, enhancing their importance and dignity, training the personnel of all departments as well as of the people's institutions to create in them the right attitudes and understanding. We have developed the limited idea of the *Gramsevak* as the common agency of all departments at the village level into a broader concept, that of the entire block organisation as the common agency and the block as the area unit, of all development activities. Indeed, it would appear thus that the problem of co-ordination is in many respects similar to the one of transforming the administration of a more or less colonial and police state into that of a welfare state. It requires not only structural and organisational changes and alterations in procedure but also radical changes in the attitudes of public servants and the people's representatives and the promotion of decentralised, real and virile self-governing popular institutions.

IMPROVING CITY GOVERNMENT

P. R. Nayak

CITIES today are becoming increasingly the nerve centres of national life and economy. They not only contain congregations of human population, large and small, but also secure for the urban communities advantages of scale and specialisation in the provision of municipal services. In another sense, too, they exhibit certain common features. Congestion is acute; and ill-planned or unplanned physical sprawl abounds. Services and amenities remain chronically short of basic requirements. Industry grows in promiscuous fashion. And, above all, the steady influx of population with varying social or environmental backgrounds accentuates the heterogenous character of the community.

In such a situation, the civic aims of city government must necessarily be to correct the deficiencies of modern life in concentrated communities and equip them better for promoting the country's political and economic advancement. Its tools have to be those several things that make life comfortable and full of meaning—adequate housing, a potable supply of water, safeguarding of public health, relief of sickness, education, facilities for mental and physical recreation, and development of a sense of oneness with and pride in the community. These are, of course, everywhere important, be it a city or a village. But, in the rural areas, the bountiful background of nature undefiled mitigates, substantially, several hardships and deficiencies. The stress and strain of city life, on the other hand, give a special significance to the satisfaction of man's basic needs; and to a certain extent, urban living also modifies their quality. Thus, the preservation of health becomes much more than an individual's care or way of life. A house often possesses less than the desired degree of privacy or individuality. Social intercourse and recreation call forth special powers of adaptability. To succeed well in its objectives, civic government must, therefore, possess skill, judgement and technique of a most unusual character. It is an essay as much in the art of governance as in the practice of psychology.

The participation of the people in civic administration and their responsiveness to its calls are vital for the success of any city government today. These characteristics are synonymous with what is

commonly called 'civic conscience'. It connotes awareness and understanding of one's rights and obligations as a member of a large community and it must evoke appropriate action in the individual. A code of conduct is evolved that reflects the inter-dependence of the citizens in a thickly populated urban community, where every fall from desired standards will detract from the health and well-being of a neighbour. One of the big problems and a primary concern of city government must, therefore, be the creation of conditions favourable to the growth of 'civic conscience'. This can be met not merely through the development of the physical scene so as to impart a sense of satisfaction and living to the individual citizen but also by resort to various media for enlisting public interest in and support for programmes of immediate and prospective improvement. This need is all the more urgent in our Indian cities which, during the last decade or two, have grown phenomenally in size and complexity. It is becoming clearer every day that a comprehensive programme of community welfare and social education must be launched, particularly in the more depressed areas of the cities. The ingredients of such a programme must include, amongst other things, youth organisation and welfare, community recreation, child and women's welfare activities, literacy and education for health, citizenship and social participation. The appeal here is to the mind, and the effort is to enrich or stimulate the emotional content of life in the somewhat soulless atmosphere of a modern city.

With these considerations in mind, we may now look at the structure of our city government, its failure and success and the measures that can make for progress. A city council or corporation is the normal organ of civic administration. It is now invariably elected by adult franchise and can thus be said to be a truly representative body. We may assume, therefore, that it is suited to appraise popular needs correctly and promote their fulfilment. That city governments have failed so often to give satisfaction is a matter that requires earnest consideration. Failure undeniably there is. The slums in our cities continue to grow; disparities in services and amenities persist; and the great majority of the people have not the pre-requisites for a decent way of life. In referring to these shortcomings, it is not the intention to minimise achievements. We have made substantial advances in public health measures; and epidemics are becoming less and less ravaging. In part, we have created much that is beautiful and beneficial. Gardens and roads, schools and playgrounds, hospitals and dispensaries, systems of public transport and other utilities—these can compare with the best anywhere. But they serve only a fraction of the population and the leeway to be made up is truly great.

II

The reasons for the present situation are partly organisational. The importance of unification in civic government is not always recognised—not even in the more advanced countries of the West. A multiplicity of agencies has produced varying degrees of development in a tract that is geographically and economically compact. Besides, it has rendered difficult, if not impossible, a comprehensive view of the basic developmental needs of a city. The determination of these needs is a dynamic process; the scene constantly shifts and changes, and each programme of development may necessitate the adaptation or modification of pre-conceived plans. Apart from the planning process, we find many different agencies, such as city councils and improvement trusts, operating in the field of execution, too. In a sense, the broad homogeneity that a city must possess is found absent in the civic government itself. Lack of co-ordination or integration can lead to duplication and does frequently lead to incomplete development. For example, a large housing estate may for long remain unprovided with schools, dispensaries, playgrounds or water supply. These defaults are generally the result of compartmental working. Such unco-ordinated activity obviously creates a host of problems and causes wide dissatisfaction among the citizens.

This is one aspect of the failure to take a long-term view of the problems of city government. Another is the absence or halting nature of measures to control the growth of cities. Sociologists have talked of the need for purposive action in the matter. There is, of course, no question of preventing the inflow of population. But some of the causes that lead to such inflow can be controlled. People migrate to cities because of the better employment opportunities there, following in part the increasing congregation of industry. But industries, while they bring employment, have also been responsible, in the main, for the slums in our cities over the past decades; and they accentuate all the problems of present day urban life. The claims of industry for urban services often become peremptory in character and can upset the precarious balance between demand and supply to the detriment of the community. A careful regulation of further industrialisation in large urban centres is important. But this is often not clearly recognised and we, therefore, witness instance of deliberate location of large industrial units in areas already over-saturated.

Paucity of resources for serving the needs of a rapidly growing community is probably the most important single factor operating to the detriment of civic government. The sources of income allocated

are inadequate; sometimes even these are encroached upon by the higher organs of Government; and more frequently, the sources are not fully tapped. The aims and problems of local bodies have come to be regarded as less pressing politically and as inferior to those of state and national governments. Such a view can no longer be considered tenable, for the foundations of national progress must be laid in and around every citizen's home. It is true that the shortage of resources affects us at various other levels also and that there is no magic wand that can dispel this difficulty. But even so, there is scope, and pressing need, for enlarging local finances.

That this not happened to any significant extent seems to be due to a weakness in the functioning of urban self-government and the relative meagreness of beneficent results achieved. The weakness is partly organisational in origin—an aspect which is examined further below—and partly political. In its latter aspect, it has operated to inhibit city governments from exploiting available sources of income to the maximum possible extent. Politically, that is from the point of view of canvassing for and getting the vote, higher taxes are thought to be a hazardous venture, and one frequently encounters assertions that a city government will be turned into a better instrument of service without further taxation. Here is a vicious circle. You cannot render better service unless your resources are augmented; and unless some visible results appear, the citizen is reluctant to pay more. The concept of taxation before service is, of course, generally understood; but the total pool is so deficient that large groups of tax-payers remain neglected for so long that they come to question the justice and validity of local taxation. A breakthrough from this situation can come only if maximum possible mobilisation of local resources takes place, and the utilisation of the pool is made with fine judgement, that is, on the principle that certain things must have priority—not of a mutually exclusive character but for the purpose of an intelligent allocation of resources.

The problem of mobilisation of local resources has a dual aspect; a determination of the levels of necessary taxation and a machinery that will secure the proper assessment and collection of taxes. The former is a political decision, but it must proceed on the basis that the services rendered must be paid for, in one form or another. Though here varying capacities may be recognised, the idea of something for nothing must be discounted; as it has been, for example, in state and national taxation. The humblest of us makes a contribution to the exchequer as a tax on the cloth he wears or the kerosene that lights his house. Why is a different note struck so often in the sphere of civic government?

The machinery for the assessment and collection of taxes must be free of political influence, though its task is to implement the political decision. That it has not always been so is one of the reasons for the failure to tap resources to the fullest extent. Unless this is done, it will be impossible to focus attention on the undoubted financial inability of local bodies to plan and execute adequate programmes of services and amenities. If the hesitancy over taxation can be overcome and if our machinery can be geared to efficiency and objectivity, unresolved deficiencies in the urban scene would become intolerable to the extent that Government cannot any longer overlook the need for augmenting local resources.

III

Save in certain restricted spheres, such as taxation, a city government does not have to operate at the political level of policy-making. In this respect, it differs fundamentally from state and national governments. The policies are broadly laid down by the statutes themselves. The decisions that city governments are called upon to take are essentially of an administrative character, as anyone can see from the agenda of council meetings. Annual budget-making, apart from taxation, is an activity that may and does often call for political decisions as regards priorities. But inadequate resources, on the one hand, and fixed, unalterable charges thereon, on the other, have introduced such an element of rigidity as to restrict greatly the scope for the exercise of judgement and decision. In essentially administrative activity, political decision has no real place. Indeed, there can be little genuine controversy over the programme of civic advancement. When, therefore, politics intrudes excessively into civics, the result is unfortunate. Speed of action becomes the first casualty. Discord arises over trivialities and the town hall becomes a forum for irrelevant political battles. The deficiencies in action are attributed to the failure of a party—a good point, no doubt, to dangle before the voter—rather than to the many weaknesses of city government. A process which must be one of education is distorted into a campaign that misleads and blurs true objectives. The services, too, are left more exposed and more vulnerable than their kind in other fields to the stresses of party rivalry; for they have to work so much in the open and so closely with the people's representatives.

It is true, by and large, that those city governments have succeeded best which have eschewed politics to the maximum extent. Its minimisation must be reflected not only in the debates on the

floor of the city body, or in the election campaigns, but also in the manning of administrative agencies from amongst the elected. The choice for offices of honour or responsibility and the membership of committees, to name only two examples, must cut across party alignments and must endeavour to place the right man in the position suited to his merit, and to give adequate representation to different points of view. Civic government can function best through the committees, away from the glare of publicity attending council or corporation meetings—publicity that often tends to carry one away into irrelevancies. The committee system of working, so invaluable for calm discussion and quick decision, has not developed sufficiently in our country. Its growth requires the establishment or acceptance of certain conventions about the scope and method of working of committees and, more particularly, about their representative character.

Apart from the statutory provisions, which are becoming more common now, healthy conventions that guard the integrity of the services and define their field of operation are also essential. Their absence is responsible for some of the failures of civic government. If responsibility is curbed, if initiative is retarded and if a measure of dignity is denied, frustration ensues and the quality of work suffers. These factors have operated on a wide scale in many of our cities; and their consequences have been aggravated by aberrations in administrative functioning on group or party lines. That is why we seem to be turning increasingly to a form of organisation in which the execution of defined or prescribed policies is made much less a matter of council voting.

The council remains the agency for administrative decisions of a superior character; it acts as the watch-dog of prescribed policies and programmes; and it checks deviations in action by the services. But beyond that, the day-to-day discharge of administrative duties is left to the executive wing of city government. Theoretical objections to a dilution of the authority of representative bodies may be urged. But the results achieved in many cities, the West included, do not suggest that representative government suffers from a proper definition of the scope of different organs. Government is a continual experiment in the art of promoting the well-being of people; and there are no rigid forms of democratic functioning. The time and the place have a powerful determining force. In our cities, the time for action is fast running out and the place gives cause for increasing dissatisfaction. Our policies and administrative forms must be such as to catch up with the situation.

IV

From the political and sociological points of view, the two problems in this situation that cause the greatest concern are slums and the acute shortage of housing and of developed, buildable sites. The two are interlinked, because, on the one hand, the clearance of slums, with their tremendous overcrowding, immediately raises the question of rehousing the "over-spills" of population. On the other, the shortage referred to leads to the growth of slum-like colonies as crop up everywhere in urban areas. A local authority's main endeavour should, therefore, be to secure and promote the orderly development or redevelopment of the physical scene.

Our attack on this problem has, however, hitherto been weak and halting. Moreover, in some recent developments in this direction, the fundamentals of orderly and decent growth are found to be lacking. The planning of growth must include not merely the opening up of virgin areas but also the provision therein of services and amenities of a prescribed standard. Otherwise, we shall always remain preoccupied with making up the deficiencies and can never go forward to the broadening of the scope and purpose of local government.

Local authorities are today mainly engaged in remedying the basic defects that exist—this is, of course, important—in the older parts of their areas and have ignored the haphazard and sub-standard growth that has taken place in the wake of population rise. Here are the seeds of a perpetual chain reaction. But if the amelioration of backward conditions is made dependent substantially on the opening up of new areas for decent habitation, the struggle for improvement—for better houses, the relief of congestion, the provision of greater recreational facilities, better and more schools and playgrounds—will be won the sooner. But the houses we build, and the lay-outs in which they are placed, must not become the slums of the near future. Because notions about adequate housing standards change so rapidly in a developing economic situation, it is better, in this matter, to err slightly on the side of liberality. The restraint which paucity of resources imposes can be met by various devices, not the least of which is to build our houses to last, not for 60 or 80 years, but for a more modest duration.

DEMOCRATIC DECENTRALISATION IN LOCAL SELF-GOVERNMENT

Arch Dotson

(In the present article, the author, a consultant to the Ford Foundation on planning administration reviews critically the approach and proposals of the Balvantray Mehta Study Team on Community Development and National Extension Service. This review by a foreign expert should be of particular value to our readers interested in the contemporary philosophy and problems of local self-government.—Ed.)

INDIA has a long history of local self-government, which persisted through Mughal times; but this tradition was interrupted under the British Raj.¹ During the struggle for independence, Gandhiji and others proclaimed that the revitalized village must be a cardinal feature in the polity of free India. It is not surprising, therefore, that the Constituent Assembly included in the Constitution of the Republic the following Directive Principle of State Policy :

The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.²

Free India has been much concerned to fulfil Gandhiji's promise and to implement the Constitutional directive. The First Five Year Plan declared that "from now on, the primary emphasis in district administration has to be on the implementation of development programmes in close co-operation with the active support of the people."³ The Second Five Year Plan also gave special attention to the development of local government, and urged that the village panchayats, along with co-operatives, strive to bring about a more just and integrated social structure in rural areas.⁴ The Local Finance Enquiry Committee, 1951, and the Taxation Enquiry Commission, 1954,⁵ have both recommended strengthening the local revenue

1. Jawaharlal Nehru, *The Discovery of India* (London : Meridian, 1956), p. 244 ff., includes a brief discussion of this tradition and of the sources of our information on the functioning of local self-government in pre-British India.

2. Article 40.

3. p. 130

4. pp. 221, ff.

5. *Report*, Local Finance Enquiry Committee, 1951, pp. 117 ff. ; and *Report*, Taxation Enquiry Commission, 1954, Vol. III, pp. 539-49.

base in order that the states' political subdivisions may have the strength to be the foundations of the new socialist pattern of society. Many states have passed fresh legislation since 1949, to create or buttress units of local government.⁶ A Central Council of Local Self-Government was established in 1954, having among its purposes to consider and recommend broad lines of policy and draw up a common programme of action to promote local self-government throughout India.⁷ Some states have conducted studies to reconsider the entire pattern of their rural government institutions,⁸ while others have directly initiated major changes in existing forms.⁹

In this context of hope for effective local self-government, dissatisfaction with recent performance, experimentation with new forms—in this background of an “agonizing reappraisal” of local government policy, the Committee on Plan Projects of the Planning Commission set up in September 1956 a Study Team on Community Development and National Extension Service to investigate on an all-India basis the working of these programmes.¹⁰

II

The Mehta Study Team undertook to determine, *inter alia* :
The extent to which the (community development) movement has succeeded in utilising local initiative and in creating institutions to ensure continuity in the process of improving economic and social conditions in rural areas.¹¹

After a year of study, the Team reported its findings and submitted proposals. The foremost of its discoveries were summarised in the following paragraph :

6. See, for example, the Jammu and Kashmir Panchayat Act, 2008 (1951); the Rajasthan Panchayat Act, 1953; and the West Bengal Panchayat Act, 1956.

7. This Council includes the Union Minister for Health as its Chairman, and the State Ministers for Local Self-Government and Panchayats as members. Three meetings have been held to date, the last being at Srinagar in September, 1957.

8. For example, in 1955 the Punjab Government issued a White Paper on the Reorganisation of Rural Local Government. Madras and Andhra Pradesh have also recently published White Papers on the reform of local administration within their jurisdictions.

9. In Assam, primary education has been transferred to *ad hoc* boards; in Bombay, primary education has been transferred to District School Boards; in Mysore, Government propose to replace District Boards by Taluk Development Boards; and so on. Still other changes in local government organisation have been instituted or are pending in other states.

10. The Study Team was led by Shri Balvantray G. Mehta, M.P. The Team's *Report*, in three volumes, was published in November and December 1957.

11. *Report*, Vol. I, p. ii. The full terms of reference of the Team were much wider than this item alone. They are reproduced in full in Vol. III, Appendix I of the *Report*.

Admittedly, one of the least successful aspects of C.D. and N.E.S. work is its attempt to evoke popular initiative. We have found that few of the local bodies at a higher level than the village panchayat have shown any enthusiasm or interest in this work; and even the panchayats have not come into the field to any appreciable extent... So long as we do not discover or create a representative and democratic institution which will supply the 'local interest, supervision and care necessary to ensure that expenditure of money upon local objects conforms with the needs and wishes of the locality,' invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and excite local initiative in the field of development.^{1 2}

After these findings, the Team undertook to determine what new bodies should be established, and with what jurisdiction, powers and resources, to build the new base for rural development.^{1 3} The burden of the recommendations, therefore, centred on a proposed "democratic decentralisation" of development work.

Before examining this proposal, it is necessary to note the definition of one of the operative terms. "Development work," according to the Team, "covers agriculture, animal husbandry, co-operation, minor irrigation works, village industries, primary education, local communications, sanitation, health and medical relief, local amenities and similar subjects."^{1 4} As wide as may be the specific functions in this definition, "local amenities" cover a multitude of activities, and "similar subjects" even more. Elsewhere in the *Report*, it is apparent that these last items may include the relief of distress, arrangements in connection with local pilgrimages, construction and repair of roads, the fixation of wages under the Minimum Wages Act for non-industrial labour, the welfare of backward classes, the collection and maintenance of statistics, and the management of high schools. Possibly the development of small forests, the maintenance of watch and ward establishment, excise "and such other items" may also be brought into the "field of development."^{1 5}

Such a definition embraces virtually all of the services of local government. The only notable omissions are law and order and the judiciary, the former being a state function in any event. Without commenting on the validity of this specification, it may be noted that

12. *Report*, Vol. I, p. 5.

13. *Report*, Vol. I, pp. 5, 6.

14. *Report*, Vol. I, p. 7.

15. *Report*, Vol. I, p. 11 ; Vol. III, p. 167.

the scope of the proposals must, by virtue of this definition, cover local government itself.

Under democratic decentralisation, the old district boards would be swept away. They would be replaced by a new authority, supplemented by revised or new bodies, as outlined below.

- (a) *Panchayat samitis* would be created, to be co-extensive with development blocks. The deliberative council would be constituted by indirect elections from the village panchayats, and would consist of about 20 representatives chosen for terms of 5 years. Further, up to 10 per cent of seats might be filled by representatives of the co-operatives functioning within the block.

The panchayat samiti would have two sets of officers, at block and village levels. The block level officers would include the chief officer and various technical officers; while the village workers would include *gramsevak*s, primary school teachers, and others.

The functions of the panchayat samiti would include all of the activities indicated above as comprising development work, plus the approval of village panchayat budgets.¹⁶

- (b) A *village panchayat* would be created for each village in the block; or, in appropriate cases, several villages might be joined into one panchayat. A small number of panchas would be elected.

The *gramsevak* of the panchayat samiti would become the development secretary of the gram panchayat. Where there are several villages in the *gramsevak*'s jurisdiction, however, a circle committee comprising sarpanchas and upsarpanchas of each of the constituent gram panchayats would be formed, and the *gramsevak* would serve as its development secretary.

The functions of the village panchayat would include, similarly, the activities of development. Certain functions would be obligatory, while others might be added with consent of the panchayat samiti. Further, the village panchayat "will act as the agent of the panchayat samiti

16. Certain revenues are assigned to the samiti, including a percentage of the land revenue; sugar, water, and other cesses; tax on professions; surcharge on duty on the transfer of immovable property; tolls; pilgrim tax; grants in aid, etc. (*Report*, Vol. I, pp. 12-13).

in executing any schemes of development or other activities."¹⁷

- (c) *Zila parishads* would be established, to be co-extensive with districts (or after the districts wither away, a number of development blocks). Its members would include the "presidents of the panchayat samitis, all members of the State Legislature and of the Parliament representing a part or a whole of a district whose constituencies lie within the district, and district level officers of the medical, public health, agriculture, veterinary, public health engineering, education, backward classes welfare, public works and other development departments. The Collector will be the chairman of the parishad and one of his officers will be the secretary."¹⁸

The zila parishad will have no executive functions. Its task will be to ensure necessary co-ordination between the panchayat samitis. The zila parishads would replace present District Planning Committees. "And only the zila parishad will, in all matters, deal directly with the Government or Commissioner or Divisional Officer where such functionaries exist."¹⁹

The general pattern, therefore, is for a three-tiered scheme. At the bottom are the directly elected village panchayats. At the intermediate level are the panchayat samitis, elected indirectly by the village panchayats, and possessing all powers of development permitted by Government. At the top are the zila parishads who without executive functions, supervise and co-ordinate the work of the panchayat samitis. The levels are linked by (a) the *gramsevak* serving as development secretary of the village panchayat; (b) the approval by the panchayat samiti of village panchayat budgets and, in turn, approval by the zila parishad of panchayat samiti budgets; (c) the election of panchayat samitis from village panchayats; (d) the *ex officio* composition of the zila parishad; and (e) the power of each level to require the lower level to function as its agent.

This, in brief, is the proposal for democratic decentralisation of development work *i.e.* for democratic decentralisation of *local government*.²⁰

17. *Report*, Vol. I, p. 18. Certain revenues are assigned to the village panchayat, including the house tax; market tax; octroi or terminal tax; water rate; grants in aid from the panchayat samiti and so on (*Report*, Vol. I, p. 16).

18. *Report*, Vol. I, p. 19.

19. *Report*, Vol. I, pp. 20, 21.

20. Only the major features of the scheme are outlined above. Detailed and supporting provisions will be introduced below, as needed for discussion.

III

Keeping in view the circumstances which led to the appointment of the Mehta Team, its findings and proposals, it would be appropriate to make here an appraisal of the Team's main recommendations. This appraisal should be made, primarily, within the framework employed for the *Report* itself. Accordingly, the administrative measures suggested may be tested, so far as their design is concerned. But before the soundness of the proposed reforms can be finally appraised, it is necessary to examine them in a more general context; and this is attempted in the conclusion of this section.

If we accept, for the moment, the Team's own view of its quest, i.e., to "discover or create a representative and democratic institution" of local government, a number of assessments must be made.

The first is that there is a general failure in the *Report* to differentiate between the characteristics and requirements of different functions. To call the entire gamut of local government services "development work" may serve to bring the whole of local government under review; but it does not help to determine appropriate jurisdictions or to distribute functions among levels of government.

That there was in fact no such differentiation among functions is first implicit in the definition of development work. It becomes increasingly plain when the Team chooses the intermediate unit. Nowhere does the *Report* examine the requirements for optimum administration (including policy making) for primary education, for example, as contrasted with land management, as contrasted with public health, or as distinct from any of the other profoundly unlike activities which are categorized as development work. Instead of reaching an optimum unit by building up specific requirements, the Team have referred to existing units and made a selection. They observe that "the jurisdiction of the proposed local body should be neither so large as to defeat the very purpose for which it is created nor so small as to militate against efficiency and economy."²¹ But then the rationale moves ahead, as here: "Obviously, the village panchayat is too small in area, population, and financial resources to carry out all these (the development) functions."²² Similarly, the districts, tehsils or talukas, and sub-divisions are unsatisfactory. However, the development block "offers an area large enough for

21. *Report*, Vol. I, p. 8.

22. *Ibid.*

functions which the village panchayat cannot perform and yet small enough to attract the interest and service of residents.”²³

One may question whether this is a scientific conclusion. That local units must be neither too large nor too small is, indeed, obvious. But is it also obvious that the village panchayat might not be reconstituted to meet the need which it is proposed to meet by an intermediate unit? Is it also obvious that districts are everywhere too large? If this is the case, then why may not the sub-divisions, tehsils or talukas be adequate, particularly where they now correspond to development blocks in area, population, and resources?

It would appear that the choice of the development block, rather than some other arrangement, was determined by the initial definition of local government as development work, and then the preference for the existing development jurisdictions the necessary intermediate unit. There was no real opportunity for the Team to test this conclusion because the specific and detailed requirements of individual functions were never appraised. To over-simplify the logic, but perhaps to catch the truth of the process of choice: since local government is development, and villages cannot perform all development functions, and other units are not development units, therefore the intermediate unit of local government should be the development block. At each stage in this process, it will be noted, there are untested assumptions.

The lack of differentiation among functions also appears in the proposed distribution of activities between the panchayat samitis and the village panchayats. When the assigned activities of each level are examined, it is seen that both levels are often allocated the same responsibilities. For example, the village may supply drinking water; so may the panchayat samiti. The village is charged with the “supervision” of primary schools, while the block is allocated the “administrative control” of the same primary schools. The block is assigned “the welfare of backward classes”; the village is to attend to “the welfare of the backward classes”—presumably the same classes.²⁴ Moreover, the *Report* speaks of two “sets of officers” of the block, at the village and the block levels.²⁵

To be sure, two or more levels of administration may be engaged in the same functions, if these functions are divided internally as to activities and responsibilities. The proper division depends upon the characteristics of the function and the capacities of the units concerned,

23. *Report*, Vol. I, p. 9.

24. *Report*, Vol III, pp. 167-9.

25. *Report*, Vol I, p. 13.

among other things. But when no analysis of either has been made, clarification of assignment may not be achieved. This ambiguity, deriving from a lack of basic analysis, is only increased by the suggestion that "all the functions concerning a village within the jurisdiction of a village panchayat should be the responsibility of the village panchayat except for the functions involving similar interests of more than one village panchayat; these should be the responsibility of the panchayat samiti."²⁶ With this criterion as the governing principle and without scientific analysis of requirements, it is quite impossible to ascertain who should do what concerning drinking water, primary schools, the backward classes, or many of the other functions assigned to both villages and blocks.

At another series of points, the Team's proposals may prove unsound. The arrangements recommended seem incompatible at several places with the overriding purpose for which they are made, that is the evocation of initiative and the creation of representative and democratic local self-government. For example, the only elections proposed to be held are at the village level; the panchayat samitis are selected by the village panchayats, and the zila parishads are *ex officio* bodies. The case against direct elections, at least to the block level, appears to be that (a) they are expensive, and (b) they encourage factionalism. But surely the balance of advantage tips the other way. The panchayat samitis are described as key bodies in development policy; their importance is represented as surpassing in many ways that of the village panchayats. Moreover, one of the main supports to democratic education is the exercise of the right to vote. Certainly the expense would be offset by the value received, particularly in a complex governmental structure involving two additional levels of power above the village, and in the circumstance that local responsibility and initiative are sought to be encouraged.

Similarly, it is quite unacceptable within the purpose of the reforms to have reserved seats for the co-operatives on the panchayat samitis. This provision, like others previously cited, may have arisen from the failure to differentiate properly among functions. A co-operative society is a restricted association for economic advantage. In the nature of things it cannot be open to all citizens in the block. Co-operatives may protect and promote their legitimate interests through the ordinary processes of representation and petition. They do not require double representation. Such an arrangement is inherently an abnegation of universal (and equal) adult suffrage; and it has no place at the base of India's democracy.

26. *Report*, Vol. III, pp. 167.

Again, it is puzzling why it should be considered appropriate to provide that during the first two years of the life of a panchayat samiti, the sub-divisional officer or revenue divisional officer should be its chairman. The reason offered, "to ensure that the administrative machinery of the block is assembled and set in motion by a person with administrative experience," seems an inadequate cause and an unnecessary arrangement. As the Team observes elsewhere, "the country has found competent persons to take charge of its affairs at other levels; the needs and circumstances of the block level body will discover adequate personnel within its area."²⁷ There would therefore be no reason to doubt that a satisfactory chairman would come forward. It would be most stultifying to place this key post at the very outset in the hands of a government officer. Moreover, if the deliberative and executive functions are divided as proposed, the chairman will have no business to put the administrative machinery in order. Further still, this should be the job of the chief executive officer for whom provision is made and not of the sub-divisional officer.

In a more fundamental way, the ends and the means of democratic decentralisation have not been made to square. It is a great anti-climax to the call for "faith in democracy"²⁸ and to the defense of popular institutions at the village and block levels, to have the third level body, the zila parishad, composed in part of district officers. It is further surprising to learn :

Nor do we consider that the district level officers on the panchayat samitis would be members of the parishad without the power to vote; that would be the surest insurance for indifference. The time is long past when we could think of the officers' interest in rural development as something different from or contrary to that of the non-officials.²⁹

There are many forms and relationships which may be utilised in the functioning of democracy. Levels may be arranged in innumerable ways, powers may be separated or combined in illimitable fashions—but in the full range of potential variations of democratic statecraft, this council of elected representatives and government officers would not appear. Government officers may often informally dominate public policy, and their advice may amount to guidance; but the distinction in status and in the legitimate sources of power of representatives and servants must be carefully preserved. In view

27. *Report*, Vol. I, p. 9.

28. *Report*, Vol. I, p. 21.

29. *Report*, Vol. I, p. 20.

of the functions assigned to the zila parishad, and of its authority to control the panchayat samitis, the purposes of democratic decentralisation at the village and block levels may be defeated at the parishad level.

It may be added, incidentally, that other features of the zila parishad are also confusing. Why members of Parliament and the State Legislature should be members of the parishad is not clear. As a device for co-ordinating the activities of the parishad and the Centre, membership of M.P.s and M.L.A.s will be disappointing. The levels are too far apart; and the M.P. may not possess the required knowledge of administrative affairs at the Centre. Similarly, it is very difficult to see why no funds or staff were provided to the zila parishad. It is very well to suggest that this body will have no "executive functions." But the assigned tasks of the parishad are:

- (1) To examine and approve the budgets of the panchayat samitis.
- (2) To distribute the funds allotted for the district as a whole between the various panchayat samitis.
- (3) To co-ordinate and consolidate the panchayat samiti plans, annual as well as quinquennial.
- (4) To consolidate the demand for grants for special purposes by the samitis and forward to the Government.
- (5) To supervise the activities of the panchayat samitis.
- (6) To perform certain disciplinary functions in regard to specified categories of the staff of the panchayat samiti.³⁰

Item three or item five alone would necessitate a considerable establishment and budget. If, in fact, the work involved is to be done by the district staff, then there would have been no real devolution of power and responsibility; and the promise of local self-government will never be fulfilled.

There is yet a more comprehensive question concerning the proposed democratic decentralisation. When the entire scheme is seen with its collateral and secondary features, it becomes clear that this is not a proposal for local federation, with powers and spheres assigned to each unit or level of units. It is, instead, a unitary outline, with a chain of command and with cumulative responsibility at each higher level in the hierarchy.

The Team have made much of the distinction between delegation of power and decentralisation, explaining that delegation "does

30. *Report*, Vol. III. p. 169.

not divest the Government of the ultimate responsibility for the actions of the authority to whom power is delegated.”³¹ It is strange, therefore, that the relevance of this definition is not, in the first instance, seen below the level of Government; and in the second instance, it is ironic that decentralisation may have been lost even at the Government level through official membership of the zila parishad. Within the three tiers, the panchayat samiti functions in the villages through its own officers; it may command the village to act as its agent; it may award or withhold grants for the villages; and, above all, the panchayat samiti has the power to review and approve village panchayat budgets. Thus villages are not, even within a prescribed sphere, self-determining authorities. Villages are given no charter of “home rule.” But similarly the panchayat samiti is subject to the direction and superintendence of the zila parishad, however inadequate the provisions for the parishad to fill this role effectively. The approval of budgets, consolidation of plans, and other activities of the parishad are the incidents of control, not of federated co-ordination. And, indeed, by assigning this function to the parishad without an appropriate constitution or establishment, the way may be prepared for continuing delegation, rather than the intended decentralisation.

IV

In sum, then, a number of deficiencies of administrative design may be noted, in the main proposals of the Mehta Team. The definition of development work as embracing all of the functions of local government is open to question, particularly if that definition is to be used as a basis of organisation. The subsequent choice of the development block does not appear to have been based on empirical analysis and systematic evidence. The allocation of functions between the primary and intermediate units is ambiguous. The restriction of direct elections to the primary level only, is not well calculated to evoke popular interest or to secure democratic control over local governmental activities. The reservation of seats on the panchayat samitis for co-operative societies is unwarranted. To have the intermediate unit chaired initially by the sub-divisional officer would be an unnecessary and stultifying step. Constituting the highest body to include official members, with the District Collector as chairman, is incompatible with democratic principle. Finally, the structure proposed does not in fact provide internally for decentralisation, but rather for a delegation of power.

31. *Report*, Vol. I, p. 7.

The above criticism focusses narrowly on the organisation of institutions; and that is also the focus of the *Mehta Report*. But one may question whether that focus is adequate to the problem assigned to the Mehta Team. Their primary task, as has been noted, was to determine—

the extent to which the (community development) movement has succeeded in utilising local initiative and in creating institutions to ensure continuity in the process of improving economic and social conditions in rural areas.

The Team's first conclusion was that local initiative has not been called forth, and that popular interest has indeed been lacking. The question why this is so, the Team has answered by a criticism of existing institutions and by formulating a new administrative set-up:

With this background (the *Report* observes), we have to consider whether the time has not arrived to replace all these bodies by a single representative and *vigorous democratic institution* to take charge of all aspects of development work in the rural areas.^{3 2}

The search for vigorous democracy, however, is not exhausted by the search for an institution. For although misorganisation may stifle democratic vigour, even the best institutions cannot in themselves create it. The *Report* tries to achieve by manipulation of forms, what can be attained only through the development of ideas, ideals, and values. In short, what one misses in the *Mehta Report* is what should have been its first half: a re-examination of the basic ideas and assumptions underlying the ideal of local self-government, and an appraisal of the extent to which they are recognised, especially at the level where the community development programme operates.

Such re-examination is not a need of Indian democracy only. The institutions of every democratic society require constant debate of their underlying principles in order to remain democratically alive. Institutions of local self-government everywhere are in special need of re-examination today, as the services required by local communities become increasingly complicated. Where this crisis in local government has been met by purely administrative adjustment, administration has become less and less responsive to democratic principle and popular wish. The necessary alternative is a continuing appraisal of what the "mastership of the public" means; of the extent to which the public is provided with opportunities for

32. *Report*, Vol. I, p. 6. Italics by author of the article.

discussion, decision and control, and knows how to use them; and of the extent to which the spirit of democratic responsiveness is present in the administration.

The problem is thus universal. But the situation of Indian local government is unique. For although India has one of the oldest traditions of local self-government in the world, that tradition was interrupted for many generations; it is now being reconstituted all at once. In the nature of things, the basis of local government in India before Independence could not be the principle of the "mastership of the public"; but in free India that principle has become fundamental. Wherever local democracy has developed in the West, it has been at first restricted in scope, and has only slowly broadened to include all the public; but the principles of universal suffrage and equality before the law were adopted immediately for the Indian democracy. And, finally, the varied technical and welfare services, for which local governments in the West have had to assume responsibility only gradually, must be taken on all at once in India.

Each of these developments by itself would necessitate broad discussion and debate, if its implication for the individual citizen, representative, or administrator is to be understood. In these circumstances it is not to be wondered at if the Indian villager has not at once grasped what his role should be, and assumed it with enthusiasm. To achieve general understanding of all these developments will require the best efforts of India's political thinkers in the universities and in the political parties, of her administrative experts, of her teachers, and her village workers.

The *Mehta Report* makes many significant contributions to the cause of local self-government in India. This study has confirmed afresh that the vital work of building the nation's development from the bottom is not proceeding as wanted; it has focussed attention upon apparent inadequacies in the traditional units of local government for the new tasks of the welfare state; and it has put forward major proposals for a reorganisation of local administration. Within the context of administrative appraisal and redesign, these are valuable services indeed.

But after granting these contributions the credit they richly deserve, we may still regret that the Mehta Team did not tackle on a more fundamental plane the question it had been asked: *Why is democratic vigour lacking?*

Government of India

ACCOUNTABILITY IN THE CORPORATE SECTOR

D. L. Mazumdar

ONE of the more important of the reasons¹ for the relatively little impact which economic analysis in this country has had so far on administrative policy is the comparative neglect of the study of the form, structure and behaviour pattern of the economic institutions of the country, a study of the greatest importance to an adequate understanding of the working of the economic order and economic processes. This general observation applies with particular force to the economics of the corporate sector. It is only during the last three or four years that anything like an intelligent awareness of the practical importance of the studies relating to the form, structure and behaviour pattern of this sector has slowly emerged. The reformulation of the economic and social policy of the country in the positive, *albeit* somewhat general, terms of the Avadi Resolution in 1954, and the increasing interest evinced by Government since then in regulating the affairs of the corporate sector with a view to integrating its activities with the values implicit in the broad economic and social policy outlined in this Resolution contributed in no small measure to this growing interest in the corporate sector. A further factor was the relatively rapid extension of the frontiers of the public sector, in which the corporate form of organization has played an increasingly dominant role. In the result, several aspects of the organization and working of the corporate sector have attracted increasing interest not only in governmental circles, but also in the universities, research institutions and among the informed public interested in economic matters.

The problem of accountability in the corporate sector has perhaps been one of the most important of these aspects. Current discussions on this problem have, however, centred mostly round the working of what are called Government companies, that is, companies in which the Central or State Governments separately or jointly have a controlling interest within the meaning of section 617 of the Companies Act. While the issues relating to accountability in Government owned or controlled enterprises, organized in the form of joint stock companies present some peculiar problems arising partly out of the legitimate interest of the State in their working not merely as a shareholder but

1. These were dealt with in detail in an Extension Lecture on "Economics and Administrative Policy", delivered by the present writer at the University Department of Economics, Jaipur, on the 16th March, 1956.

also as a guardian of the public interest, and partly out of the mechanics and processes of parliamentary government, the problem of accountability, in its essence, is *basically* the same all over the corporate sector, whether a particular enterprise is organised as a Government company or a non-Government company. It may, therefore, be useful to preface the observations on this subject with brief general comments on the *basic* issues underlying the concept of accountability.

II

In pragmatic discussions on this subject, particularly in legal and administrative circles, accountability is usually treated as a legal or partly legal and partly administrative concept—a matter of answering for their conduct or performance to an appropriate authority in an organization by those who are entrusted with the duty of carrying on its activities, in such terms as an overriding statute or the internal rules and regulations of the organization prescribe. Where authority is dispersed among several organs of an organization, the problem is viewed as one of allocating answerability to different levels or centres; and what is due to the appropriate authority is usually interpreted in legal or administrative terms, *i.e.*, what the basic law governing the particular organization or enterprise requires to be done, or what its internal regulations lay down.

Viewed in this light, accountability is but another aspect of the problem of the exercise of authority, and is often considered as a matter, primarily, of the internal administration of an organization or enterprise. It will be appreciated that in this view the problem of accountability or of the exercise of authority, whichever way one may look at it, is *fundamentally* the same not only in the corporate sector, but, indeed, in any sector of an organized community. For the mainspring of any organized community is always characterised by certain common features, the more important of which are :—

- (a) the existence of a seat of power, centralized or dispersed, needed for carrying out the purpose or objectives of an organization or an enterprise;
- (b) the selection by those occupying this seat of power of the desired behaviour to accomplish the common purpose or objectives;
- (c) the communication by these persons to those under them of the nature and limitations of the desired behaviour;
- (d) the habitual performance by the latter of the desired behaviour; and

- (e) the answerability of the latter for their conduct and performance to the former.

This is the universal pattern of all organized community, and as the activities of a group or enterprise become increasingly diverse in nature and scope, the structure of its social action also becomes increasingly complex and the links between systems of action become necessarily complicated. As a well-known writer has observed : "Planning, co-ordination, allocations of functions or specific tasks, decisions as to the conduct necessary to meet new problems or obstacles faced, the determination of behaviour which should be appropriate to a complex and fluctuating environment, the maintenance of the organization and the imposition of pressures and sanctions necessary to bring about the desired conduct, the resolution of conflict, the allocation of energy and resources, organization in such a manner that it will efficiently attain its goals and preserve a surplus of satisfaction for those engaged in the common enterprise—these are some of the new requirements or functions of organizational life which becomes the task of authority or leadership, and for the due fulfilment of which the different organs of a group or enterprise are accountable to those who exercise authority".

The pressures and sanctions which must from time to time be applied to remove inertia, friction, impediments or obstacles in the way of the fulfilment of the tasks of an organization or an enterprise ordinarily take two forms, viz. the instruments of law and the instruments of custom or tradition. Broadly speaking there are three types of conduct of behaviour :

- (a) conduct which is expected of each member of an organization or an enterprise, irrespective of the law which regulates its activities—conduct, which may be described as "must-conduct", *i.e.*, conduct which by custom or tradition is accepted as being worthy or unworthy, as the case may be, without any question;
- (b) behaviour or conduct, which is not expected and must be inhibited, if necessary, by the sanction of law, *i.e.*, "must-not-conduct"; and
- (c) conduct which may be expected legitimately of the members of an organization or an enterprise in the area of freedom reserved for them.

To what extent, law, on the one hand, and custom or tradition, on the other, can regulate the activities of an enterprise or the conduct of its members at different levels is determined by many factors, the more important of which are :

- (a) the nature of the particular group or enterprise;
- (b) the pressure of voluntary group action in the community at a particular point of time;
- (c) the respect for authority which the members of the group or enterprise entertain; and
- (d) the sense of group or social responsibility displayed by those in authority in a particular group or enterprise.

It is, therefore, hazardous to generalize on the respective roles of law and custom or tradition, as instruments of sanction, for the enforcement of accountability in a group or an organization. But viewed in the perspective of history, the broad inference can be safely drawn that the advance of modern communities has been marked by a progressively diminishing part played by law as an instrument of sanction and by a corresponding enlargement of the area of tradition as a regulator of group conduct and behaviour.

Closely connected with the above facts is the other characteristic of accountability, which has hitherto received little notice in discussions on this subject. As the scope of an organization enlarges and its structure and behaviour pattern become more and more complex, the legal and administrative contents of accountability tend to be increasingly suffused by a growing sense of social responsibility. This is largely because of the progressively increasing impact which the repercussion effects of the activities carried on by a group or organization have not only on the participants in them, but also on individuals and groups outside the organization, and indeed on the community as a whole.

In this situation, these repercussion effects become as much a matter of concern to the particular group or organization as its so-called internal activities; indeed the dividing line between them becomes increasingly blurred. The concept of accountability rapidly develops an external aspect which eventually becomes as important as its internal aspect. For, the concept grows and takes in within its compass not only the requirements of law or administrative regulations governing the conduct of those who control or manage an organization, but also the so-called moral obligations of authority, which become as important and compelling as the requirements of law and regulations. In other words, in all progressive societies, group action becomes increasingly accountable not merely in terms of the law or administrative rules regulating it, but also in terms of its social responsibility not only to the participants but also to the other elements in the community in which that group operates. This universal pattern of

evolution applies as much to the growth and development of joint stock companies in the corporate sector as to any other organization or institution in a community. That is why the problem of accountability, viewed in its true light, is, *basically*, the same both in respect of all companies, irrespective of whether they are Government or non-Government companies.

III

Accountability, in its legal and administrative sense, in respect of companies means primarily the accountability of those in authority, *i.e.*, the management towards shareholders and creditors under the provisions of the governing law relating to companies. The basic law relating to companies is the company law. It is time that other laws also impose diverse statutory obligations on the management of joint stock companies, in varying measure, not only in respect of the other partners in production and distribution, as for example, labour, but also in respect of the locality or the community in which these companies may be carrying on their activities. Typical of these laws are, of course, the labour laws, the municipal laws and a host of other laws which govern the conduct of trade and industry organized in the corporate form.

But the obligations which these other laws impose on authority are in the nature of liabilities created by statute, which must of course be redeemed, but which do not materially add to the contents of accountability or modify the concept. They are extraneous to the form and structure of joint stock companies, and, however important otherwise, do not basically affect the anatomy or physiology of the corporate form of enterprise. In the context of the present discussions, these extraneous obligations imposed on authority by the other laws and regulations may, therefore, be ignored.

The manner in which company law seeks to enforce accountability in respect of corporate behaviour varies, by and large, with the provisions of the Companies Act or the Corporation Laws which may be in force in a particular country. Since the concepts and categories of the Indian Companies Act are based essentially on the principles underlying Anglo-saxon company law, the comments made in the subsequent paragraphs relate primarily to the provisions of the English and Indian Companies Acts, and the corresponding American practice under the Corporation Laws of that country.

In the first place, company law requires the enactment of a basic constitution which is called its memorandum of association. It lays

down the objects and purposes for which a company is formed which limit the scope of the activities of the company. If company management wishes to proceed beyond these limits, it cannot ordinarily do so, except by amending this basic document in the manner laid down in the relevant company law. In other words, the memorandum of association which contains a company's constitution is only alterable to the extent permitted by the relevant Companies Act to which it owes its validity. Thus, section 16 of the new Indian Companies Act permits alteration in the memorandum of association of a company by a special resolution of its shareholders only in respect of those provisions which are not deemed to be conditions of the memorandum under the provisions of section 13 of that Act. In respect of these conditions, the memorandum of association of a company is unalterable, except with the approval of a court of law. The necessarily rigid provisions of the law on this subject are intended to assist in the enforcement of accountability on the part of those who are in authority in a company, much in the same way as the rigid provisions of many federal constitutions were historically conceived as bulwarks of protection against the exercise of arbitrary powers by Kings or Presidents.

Secondly, company law attempts to regulate the internal structure and the mode of working of a company through its regulations, which are known as its articles of association. Subject to the provisions of the Companies Act, which over-ride these articles, the latter are freely alterable by the company itself, provided the company follows the procedure laid down in the Act for this purpose. The objects underlying a company's articles are primarily to demarcate the respective spheres of authority as between the principal organs of a company, and to define the area of responsibility and the corresponding measure of accountability attaching to them. In the absence of such a document it would have been extremely difficult to determine and enforce accountability *inter se*, as between the different organs of a company.

A company has, ordinarily, two principal organs—the members or shareholders of a company, and its board of directors. In the Indian context, managing agents may also be well described as a third primary organ. For, notwithstanding the provisions of section 368 of the Companies Act, 1956, which lays down that the managing agent of a company “shall exercise his powers, subject to the superintendence, control and direction of its board of directors and subject also to the provisions of its memorandum and articles and to the restrictions contained in Schedule VII of the Act”, the powers and authority vested in managing agents are, in practice, often as wide as those of boards of directors. The provisions of the Companies Act relating to the

powers and duties of these principal organs of a company are intended primarily to define the limits of their authority, so that the fixation of responsibility accompanied by corresponding enforcement of accountability is not rendered needlessly difficult.

Here again, what the company law attempts to do bears a remarkably close analogy to constitutional law. In a parliamentary democracy, legislative authority rests with Parliament, while administration is left to the executive Government, subject to a measure of control by Parliament through its power to force a change of Government. It is much the same with a company, except that a company is not a sovereign body and has only a limited competence such as is conferred on it by the terms of its memorandum of association. Within these limits, however, as a rule, the authority for laying down and altering the internal rules and regulations of a company rests with the members of a company in general meeting. Company law usually contains elaborate provisions on this and related subjects, and, broadly speaking, provides that certain corporate activities cannot be carried out except with the approval of the members of the company in a general meeting. Some of these activities need the approval of the members by a special resolution, *i.e.*, a resolution which requires a three-fourths majority of the members present and entitled to vote, while others can be approved by a simple majority vote. These provisions are in the nature of hedges intended to canalise the exercise of the supreme authority of a company with due regard to the rights of the minority.

Although it would not be constitutionally impossible for a company in general meeting to exercise all its powers, it would be clearly impracticable to do so in the day-to-day administration of its affairs. Hence, all Companies Acts and the articles of association of companies provide for boards of directors, corresponding to the executive government of the State, and lay down the powers to be exercised by them and the manner in which they can be appointed and changed. Like the Government, the directors are ultimately accountable to the "Parliament" constituted by the general body of shareholders, but, in practice, again like the Government, they usually exercise as much control over this "Parliament" as the latter exercises over the Government. Indeed, the trend of modern legislation, to which the Indian Companies Act is no exception, is to confer on the directors the right to exercise all the powers of the company, except such as the Companies Act expressly reserves for exercise by the shareholders in a general meeting.

As a rule, the Companies Act does not usually deal with the other organs of a company, *e.g.*, managing director or general managers, who are not considered to be the primary organs of a company in the

same sense as the members of a company and its board of directors are. In the Indian context, however, having regard to the historical position of managing agents in the management set-up of our joint stock companies, and the consequent need for fixing the nature and limits of their accountability, the Indian Companies Act has considered it necessary to lay down, at considerable length, in the statute itself, their duties and responsibilities *vis-a-vis* the boards of directors and the shareholders. The Indian Companies (Amendment) Act of 1936 felt this need for the first time; the Act of 1956 has greatly extended the limits of their accountability.

The other principal way in which the Companies Act regulates the exercise of power by those in authority in a company and thereby helps in the enforcement of accountability is through the accounts and audit provisions contained in it. Compulsory disclosure of the financial results of a company through accounts is a well-tryed and time-honoured method of providing information about companies not only to shareholders but also to all those who have to deal with the company. The accounts provisions of the Indian Companies Act have been always much in advance of the similar provisions in the English and the American Acts, but unfortunately, the complexities of modern business have rendered company accounts in every country increasingly unintelligible, except to the experts and specialists. To the average investor or creditor, in this as in other countries, who lacks the requisite technical skill, company accounts are cryptograms which he is incapable of solving. To this extent, "the rendering of accounts to the general body of members" in the traditional sense has lost much of its efficacy as an instrument of enforcing accountability. And yet, if accounts are to remain the lynch-pin of the present system of protection through disclosure, one of the urgent needs of the corporate sector seems to be to ensure that company accounts are presented in a form which is more readily intelligible to the layman.

Equally important is the need for using the well-known accounting tools like standard costing, budgetary control, etc., as internal tests of efficiency, and making the results of these tests known to the management, shareholders and the general public. These tests are now a days extensively used in all modern business in the advanced countries of the world, and are considered to be one of the most efficient instruments for enforcing accountability in the corporate sector.

The effective use of accounts for this purpose, however, presupposes the existence of a strong, efficient and independent body of auditors. In recent company legislation in most countries, the pivotal role of company auditors in the enforcement of accountability in the corporate sector has been recognized in the provisions of the relevant

statutes relating to the appointment and dismissal of auditors. In so far as auditors can discharge their functions with competence, integrity and independence, the enforcement of accountability is rendered relatively easy.

To this end, the new Companies Act contains several salutary provisions embodied in sections 224 to 226 of the Act. It is, however, difficult for any law fully to ensure professional competence or integrity, much less to guarantee the independence of professional men. Hence, as in all other advanced countries of the world, the profession of accountancy must lift itself up through its own efforts, aided to the maximum extent possible by its professional institutions and the protection afforded by enlightened public opinion. Much has been done, in this direction, in recent years, in this as in other countries, but a great deal still remains to be done. The building up of a strong professional body must, necessarily, be a slow process. If, this process fails, some other effective machinery for the enforcement of accountability in the corporate sector, through the honest and independent scrutiny of company accounts, may well have to be contrived.

The comments in the preceding paragraphs have been concerned with the problem of accountability only in its legal and administrative sense. An attempt has been made to describe very briefly how, within the formal structure of a company, accountability is enforced at different levels through its principal organs. The argument of the foregoing paragraphs applies almost with equal force to Government companies. Whatever may be the motivations underlying the conduct of such companies, those in authority in them are as much accountable in law, and under the internal regulations of these companies, as their counterparts in non-Government companies. This position may have been hitherto somewhat complicated by the manner in which the executive organs of these companies have been manned, and have hitherto functioned. The boards of directors of Government companies consist, by and large, of Government servants, who are not always employed whole-time in the service of the company with which they are connected. In the day-to-day conduct of business by the directors, it is not always easy for Government officials to distinguish clearly between their allegiance to the department of Government to which they belonged and their allegiance to the company on whose board they served. Further, the State, which is the sole or predominant shareholder, had necessarily to be represented in general meetings of shareholders by officers of Government holding the controlling interest in these companies, on behalf of the State, without having any distinctive identity as shareholders. To what extent, by suitable structural or procedural changes, whether under the law or the internal regulations of companies,

some of these facts, which have hitherto masked the true character of Government companies as separate and independent legal entities, can be changed, is a problem of corporate organization and administration, which is beyond the scope of this article. So far as legal accountability is concerned, its scope and incidence, in its application to Government companies, however, remain unaffected by these considerations.

Section 619 of the new Companies Act has added a new element of complexity to the concept of accountability in relation to Government companies by empowering the Comptroller and Auditor General of India, to have some considerable say in the manner in which the accounts of Government companies should be audited, and by requiring that all Government companies must, in addition to their balance-sheets and profit and loss accounts, also submit annual reports on their working to Parliament. The imposition of these additional obligations on Government companies appreciably enlarges the scope and incidence of legal accountability in respect of these companies, and to that extent, it may be *prima facie* claimed, that in its application to Government companies the concept is perhaps somewhat wider and deeper. For, it may well appear that the management of Government companies is answerable not only to their primary organs but also to another authority outside their structure.

This *prima facie* view is not, however, strictly correct, inasmuch as the answerability of Government companies to Parliament *via* the Comptroller and Auditor General, as envisaged in section 619 of the Companies Act, would appear to stem not so much from the position of Parliament as the shareholders of the Government companies as from its primary character as the guardian of the public interest. In other words, it is legitimate to take the view that according to the strict interpretation of the theory of corporate accountability, the additional requirement as to the accountability of Government companies, as laid down in section 619 of the Companies Act, is more an incident of the constitutional position of Parliament than an extension of the scope of the shareholder's right to demand answerability from those in charge of the affairs of Government companies.

IV

Accountability, in the social sense, is a concept of relatively recent origin in the corporate sector. What it implies is that the company law or the administrative regulations which define and demarcate the limits of authority in a company and, within such limits, render the exercise of power accountable in terms of this law or a

company's internal regulations, do not by themselves give a true and fair picture of the nature and obligations of authority in any modern company or corporation. In all advanced countries of the world, the dominant position which joint stock companies occupy in the organized private sector imposes obligations, of a very different type, on those in authority in these companies, which far transcend the minimum provisions of the company law.

Accountability in this wider sense arises from the basic fact that a business enterprise can function only in its social environment; and, more importantly, from the further fact that by reason of its dominant position in society, a modern business enterprise produces far-reaching impacts on other individuals, groups and institutions in the society referred to earlier. "Just as the captain of a ship cannot ignore the state of the sea through which he must sail and must continue taking into account its varying moods and temper, so must a modern businessman function against the background of the continuous awareness of the social forces, subject to which any business enterprise must necessarily function". For these reasons, Peter Drucker also observed in *The Practice of Management* that "even the most private of private enterprises must be viewed as an organ of society which serves a social function."

Accountability in the social sense involves, in the first place, the spontaneous acknowledgement and acceptance by those in authority in a company of their obligations not in terms of the provisions of the company law or the internal regulations of the company but as a moral imperative. More than this, it involves a vivid awareness of the active role which authority has to play in the integration of the activities of a company with the public interest in a welfare State. In all advanced countries of the world, accountability of company management in this sense is now an unquestioned norm of composite behaviour. Management no longer represents, as it once did, a single interest of ownership; increasingly the view has gained ground in recent years that directors of a company are trustees not merely for the owners or shareholders of the company, but also for workers, suppliers, consumers, the immediate community and the general public.

The basic logic underlying the growth and development of this new aspect of accountability was well expressed by a former Chairman of the Standard Oil Company (New Jersey) of the U.S.A., in a convocation address delivered before the School of Commerce, Accounts and Finance in the New York University a few years ago, when he said : "...business management in the United States is well on its way towards achieving many of the characteristics of a

profession. It is recognizing the kind of responsibility to the community, as a whole, which all professions must see and acknowledge. . . . It is my belief that technical education and training are not enough if business managers are to have true professional competence. A clear sense of responsibility to and integration with the public welfare is a pre-requisite to successful business management in today's complex world." Again, as a former President of a distinguished American Corporation, with international ramifications, observed some time ago in an address before the Congress of American industry : "An active social sense . . . and individual recognition of social responsibility will compel us, as individuals, to test every managerial practice, measure every policy, by a simple yardstick. 'Not what does it mean for me', but rather 'What will this mean to my *workers* as people, to my *customers*, to my *suppliers*, to my *stock-holders*, to the *community* in which my plant is located, to my *Government*, to the *industry* of which I am a part, to the *economy* as a whole?" These tests, honestly made, of every individual managerial action, policy and practice will be evidence of the true social consciousness."

A little reflection will show that the area of accountability, in the social sense, is much more extensive than the terrain covered by the traditional concept of accountability in the corporate sector in the legal and administrative sense. It is possible to make only a brief mention of the more important of the fields covered by this area. These include *inter alia* :

- (1) The responsibility of management for ensuring the *continued* efficient management of a business enterprise in conformity with the growing social ideals and social urges : For example, it is now generally recognized that it is the social responsibility of management to ensure not merely that the enterprise is operated on a profit, but also that it has the capacity for growth. Company law may not make management legally accountable for this, but it is socially accountable to provide for such growth. This, of course, implies that it should not be hampered in this task by adverse group or public decisions, but it also means that its own commercial and financial policy should be so designed as to take note not merely of the present, but also of the indefinite future. Similarly, the necessity for providing for research, development and expansion are not legal requirements, but social needs calling for the imposition of social obligations on management. Again, the need to provide for a line of efficient management succession by appropriate methods of recruitment and promotion of

management staff is another instance of the type of social responsibility of management which imposes obligations on it not ordinarily arising out of law or the internal regulations of a company. Many other examples of corporate conduct in this category may be cited;

- (2) Management's responsibility to employees for better wages, better standards of living, opportunities for improvement and participation at appropriate levels in management : This is another important example of the type of obligations which do not arise out of statute or rules and regulations;
- (3) The accountability of management to consumers in respect of the price, quality and the continuity of supply of the goods and services produced by the company : This has been always recognized in all advanced countries of the world as an obligation which must be explicitly accepted, although the sanctions of law or the internal regulations of a company may not be able to enforce the observance of the obligations;
- (4) The responsibility of management for the physical health and well-being of the locality in which an enterprise is carried on : Responsibility of this type attracts accountability in the social sense of which enlightened business management is becoming aware in this country only recently;
- (5) Responsibility of company management to the community at large : This is bound increasingly to attract accountability in the social sense in many diverse ways, of which there is, at present, only a vague general awareness even in otherwise well-informed and knowledgeable circles.

If the socialistic pattern of society is to be worked out in practice as a meaningful goal of the country's economic and social policy, the nature of some of these obligations would have to be more clearly defined in concrete terms, so that the corporate sector may not think and act at cross purposes, and may be able, with the help of its enlightened and far-seeing leaders, and with such support and assistance from Government as may be needed, to build up an efficient and workable code of conduct for its members which will formally recognize and be in a position to enforce, through voluntary group action, the social accountability in many of the fields mentioned above.

The enforcement of accountability, in the social sense, is relatively easy in regard to Government companies. This is because the machinery of democratic Government in most countries periodically exposes the affairs of Government companies to the search-light of critical public opinion in a manner unknown to non-Government companies. But, the need for a similar overall scrutiny from time to time into the working of non-Government companies in the private sector, on a voluntary basis, by an appropriate authority enjoying the respect and confidence of the business community would seem to be no less necessary in the social interest. In many modern countries of the world, this service is rendered by specialized organizations set up by the traditional trade and business organisations themselves, and it may well be that with suitable adjustments in their structure and working, our business organizations may also be able to devise appropriate cells, in collaboration with one another, for the purposes of the new tasks ahead of them.

V

The foregoing review of the nature of accountability in the corporate sector assumes that there is full and adequate understanding in knowledgeable and informed circles of the practical purposes which are subserved by the enforcement of accountability. In any event, the limits of this article do not permit of any reference to this aspect of the problem. For the sake of completeness of the narrative, it is, however, necessary to add that the enforcement of accountability is essentially, a means to an end—an aspect of corporate administration designed to ensure that honourable methods are followed to achieve the immediate aims of corporate activity. In the long view, in no sector of a nation's life, can means be divorced from ends. This is recognized to be so in all modern countries of the world as much by the enlightened leaders of business as by the professional practitioners in the corporate sector.

Equally, it is being increasingly recognized in this country that the fullest utilization of our productive resources employed in the corporate sector, in terms of the quantity, quality and the prices of the goods and services produced, in an orderly manner and in conformity with the objectives of our Plan, can never be ensured, if accountability, in both the legal and the social senses, takes a back seat in the conduct of corporate enterprise. Good house-keeping in the corporate sector, as in domestic life, must continually ask for answers from the keepers of the house, in order to ensure that they are rendering services commensurate with their costs. The problem of practical policy in

regard to the enforcement of accountability in the corporate sector, as in all other segments of our national life, is to know how and when to ask the right questions, how to devise an effective machinery for collecting, screening and valuing the answers to these questions expeditiously and honestly, and then on the basis of these answers how to use persuasion or pressure, as the case may be, at the focal points of a company in order to ensure good corporate behaviour, without damaging the springs of initiative and enterprise or affecting the dynamism of the best elements in trade and industry.



HENLEY AND HYDERABAD

J. W. L. Adams

THE establishment of the Administrative Staff College in India at Hyderabad constitutes a valuable and novel addition to the existing programmes of training for higher administrative responsibilities. The College is patterned on the College which was opened at Henley-on-Thames in England in 1948 and which has since won international reputation for its work. The essential ideas and procedures of Henley have been adopted at Hyderabad, but substantial modifications in details have been made to meet the particular circumstances of India.

In what follows, an attempt has been made to give an account of the work of the British and Indian Colleges and the concepts which underlie them. Some points of divergence have been noted. These are mostly in matters of detail; for the most part, the objectives and practices of the British College have been followed at Hyderabad.

The Hyderabad College was founded in 1957 with General S.M. Srinagesh as its first Principal. Its first session started on December 6, 1957, and concluded on February 28, 1958. It was established in pursuance of the recommendations, of an Expert Committee of the All-India Council for Technical Education, made in its report on education and training in industrial administration and business management, submitted in 1953. The detailed plans were made by a Planning Committee of which the Minister of Commerce (then Shri T.T. Krishnamachari) was the Chairman.

The Administrative Staff College at Henley grew out of the belief that the scale and complexity of modern industrial and commercial enterprises and government functions had outstripped managerial and administrative practices. In the interests of their own professional development and for widening of administrative insights, there was, it was felt, a need for men and women of experience, engaged in different aspects of public life, to meet together to study the problems they had in common. As Sir Hector Hetherington (Principal and Vice-Chancellor of the University of Glasgow) wrote in an article in the *London Times* of November 7, 1945 :

"A time comes in eight or ten or fifteen years, when, having learned and practised his calling, a man does well to cease for a little from action, and to think what he is doing

and why and how he is doing it. That is apt to be the most fruitful educational phase of all. The best thinking springs from practice, and a man who by thinking has more thoroughly possessed himself of what he is and does is ripe for greater responsibility."

"The College ought to be a meeting place of the two categories of administrators—the officers of the private and public services. In future, as increasingly during the war, they must work together. It is important that they should understand the very different situations in which they are placed and the different responsibilities which they carry. Much frustration will be saved thereby. It is even more important that each should acquire, as far as may be, the characteristic virtues of the other, and know its own characteristics and defects. That is the way of amendment. For the final objective of all this enterprise is not theory, but better practice devoted to the fuller service of the public interest."

The three important points emphasised by Sir Hector were : (1) The members of the College were to be persons of some maturity, but yet at a stage of development when they were still adaptable; (2) they were to be practising administrators who would return to their practice, not academic students of administration; (3) they were to be drawn from industry, commerce and government, in the belief that the problems of administration in these different spheres had common features and that promotion of the public interest in modern societies required a closer mutual understanding and increasing co-operation between the servants of government on the one hand and of private enterprise on the other.

Each of these factors exercised a profound influence on objectives and methods of training which were later set out for the Henley College; these also since have been incorporated in the Indian College.

The Object of Higher Training in Administration

The object of both the Colleges is not primarily to extend or impart knowledge but to cultivate administrative skills and talents and to develop an awareness in the trainees which would help them to tackle their own jobs, on return, with a broader vision and deeper understanding. The training programme is therefore so designed as to encourage the participants to think about and develop the skills which

a senior administrator needs; the ability to see clearly an objective; the skill to plan, to delegate and control work and to mobilise the knowledge and abilities of others to achieve that objective; the skill to handle a management team involving co-operation with colleagues—often more experienced than himself; learning to make decisions as intelligently as possible in time and with the resources available; and finally ability to understand the complex interrelationships of a modern community, which involves appreciating the distinctive points of view and abilities of those who are working in other fields and learning from their experiences.

Training Methods and Techniques

(a) *The Syndicates*: The method of training predominantly used is that of syndicates. This method is not only flexible but also helps to sharpen the varied skills and abilities so essential for providing administrative leadership and direction in the higher levels of management. The number of syndicates is usually nine or ten. For all subjects except one¹, the syndicates consist of a carefully balanced mixture of skills and employment. The aim is that each should contain members who have had experience in production, marketing, finance and accounting, research, and general management or administration. Each syndicate should also contain one banker and at least one member from the Union Government, one from State Government and one from a public sector industry. The remaining members are chosen to represent as great a variety as possible of private industry.²

For each subject, the College appoints a member of the syndicate as Chairman and another as Secretary. Except at the beginning

1. cf p 72.

2. In detail, the typical Syndicate at Henley is composed as follows :

A. <i>By Employment</i>		B. <i>By Function</i>	
Civil Service	... 1		
Nationalised Industry	... 1	Production	... 3
Banking	... 1		
Industry & Commerce	... 4	Research & Development	... 1
(Large)			
Industry & Commerce	... 1	Sales, Purchasing, Distribution	... 2
(Small)			
Overseas	... 1	Banking, Insurance, Financial	... 1
Local Government			
or		Accountancy	... 1
Fighting Services	... 1		
or		General Management	... 2
Sundry Unclassified			
	10		10

of the session, these two receive their papers some four days before the syndicate meets. These papers consist of (1) the "brief", which is a short statement of the field to be studied and of what the syndicate is required to produce as a result of its studies; (2) an extract from the main College time-table showing the periods allotted for this particular subject; and (3) for some subjects only, a list of recommendations for reading.

About two days before the syndicate meeting the Chairman and Secretary call on the member of the Directing Staff attached to their syndicate and are briefed verbally about the subject. This verbal briefing is intended to ensure that they understand fully the written brief, any time-table problems there may be, the facilities available to help them with their studies and what they are required to produce. It does not give them any advice about what conclusions they ought to come to. There are no "school solutions" for any of the problems set.

At this meeting, the papers for the remaining members of the syndicate are handed over to the Secretary, so that he can incorporate any further instructions that his Chairman may wish to issue to the members before the opening meeting.

From this time on, the Chairman is fully responsible for the conduct of the study. At the opening meeting of the syndicate, he explains to the members the scope of the study which is outlined in the written brief; proposes a plan for carrying out the requirement as completely as possible in the time available and gets it agreed to by the syndicate; and delegates the work to be undertaken. Subsequently he has to keep control, and, above all, win the co-operation of his fellow members to see that the final "study" requirement is ready by the time stated in the programme and that it represents the highest level of thought that the syndicate can achieve.

After the initial briefing, the member of the Directing Staff acts as an observer and consultant, intervening only to contribute ideas or experience of his own, if he thinks he has a point which has not been brought out by some member of the syndicate, or to help the Chairman if he has got into difficulties. It is up to the syndicate to decide what use should be made of any such contributions. The responsibility rests fully with it and with its Chairman. For this reason, if any serious help has to be given to a Chairman, it will be done privately outside the meeting. To emphasise this detached role of the Directing Staff, they sit, away from the main tables, at a desk of their own, in the syndicate rooms.

The final 'study' requirement is a report of 2,000 to 3,000 words, either on the syndicate subject, or on several issues selected for

discussion at a College Conference. It is emphasised that this report is to be the report of the whole syndicate, not merely of its Chairman and Secretary. The syndicate must agree to the report. That is not to say that every member must agree with all the views expressed in it. On the contrary, the more valuable reports are often those on which real differences of opinion are clearly and temperately expressed. Their preparation is an exercise in the difficult task of ensuring that written statements express the highest level of thought and discussion of the group, and not the lowest level at which a general agreement or safe and acceptable conclusions can easily be arrived at. It is also a valuable exercise in drafting, although syndicates are discouraged from spending undue time on points of verbal detail.

A cardinal requirement is that reports be ready by the time stated in the programme. A major problem in any administrative situation is to make sound decisions within a time limit on the evidence available. Neither time nor facts are usually sufficient by academic standards. Insistence on the time factor in submission of reports is, therefore, a realistic exercise.

When completed, the reports are duplicated and circulated to each member of the course. A period is then allotted for each syndicate to consider the reports of the others and send in a note of questions which they wish to see further discussed. Finally, all the syndicates meet together and each Chairman is required to make a brief speech presenting his report to the meeting, this is a practice in the difficult art of speaking for his team before a critical and alert audience. Therefore, at these meetings, a discussion takes place on the issues which have been raised by syndicates on the other syndicate reports. Each Chairman is responsible for leading his team, delegating the duties of question or answer as he sees fit, although individual members are free to come forward with particular views if they so wish. Thus, the syndicates under the leadership of the Chairman, have to stand up for their work against the criticism of their colleagues. Only when this is over has the Chairman completed his task. In some sessions, the syndicate studies lead to a College Conference, rather than to a common meeting of all syndicates.

If a subject ends in a Conference, the procedure is simple. After their last individual meetings, the syndicates send in summaries of their reports on a selection of the issues which they have discussed; and from these an agenda for the Conference is prepared. Under the leadership of their chairmen, the syndicates propound their views at the Conference, which are criticised or supported by other syndicates or individual members.

The main resource available to the syndicates for their studies is the experience of their members. There is a lot of experience in a group of ten persons, each of whom has spent from ten to twenty years in industry, commerce or government. An important part of each study consists in drawing out this experience. In every subject, it is one of the main duties of the Chairman to see that he gets the best that he can out of the group. Some subjects require little else; others require supplementation by reading, for which guidance is given in the brief. Each syndicate has at its disposal a small working library apart from the facility of the main college collection. For some subjects, the College provides papers specially written for the purpose.

(b) *Lectures and Field Visits* : In addition, a relatively small number of lectures on special aspects of the topics under discussion are given by visiting expert-administrators, who come for short periods to the College. The experts come fresh from the practice of their calling. By this means, the members get a wider range of expert advice than could be given by the resident staff. Some experts come not to lecture but to meet the syndicates and be asked questions. On some subjects, this is a more suitable procedure. It also gives chairmen and syndicates practice in the skills of handling an expert witness so as to get the best out of him in the limited time available.

Arrangements are also made for members to go out and obtain for their syndicates first-hand information about thought and practice in industrial concerns, public enterprises, government departments, research institutions and social organisations. These are not sight-seeing trips; they are related to subjects which are under discussion at the College at the time. Syndicates are made responsible to ensure that their members are properly briefed before they go out and that they bring back from their excursion the information which the syndicate wants to have for its study.

The compactness of England makes it possible for each of the field visits—there are three of these at different stages in the Henley programme—to be related to a particular subject. In India, where distances make travel costly and time-consuming, it is necessary to group these visits into a tour of a number of institutions with different administrative problems. During the first session at Hyderabad, two long distance tours and visits to local undertakings for one full day were arranged for. In future, it is proposed to reduce the long distance tours to one, largely because, in addition to being expensive, they are very fatiguing. There is, however, no doubt of the value of this aspect of the programme. Apart from the data which is thereby collected, the field visits provide a sort of training in the art

of culling out all the needed information through comparatively short visits—an activity which senior executives constantly have to perform.

(c) *Interchange and Continuity of Experience*: An essential element of the present pattern of training is to promote as much interchange of experience as possible. At the same time, it is important to preserve the continuity and understanding which comes from close association together over a period of time. This combination is achieved in the College by keeping members in the same syndicates for most of the subjects of the course, but grouping them in different combinations for some subjects. There are three such mixtures. The first takes place about the third week of the programme when all members according to their experience are grouped in Specialist Syndicates to study the problems which they consider of current importance in their particular specialism, whether it be production, marketing, office services, finance, research or personnel administration. This is the only study for which the syndicates are not composed with a mixture of skills and employment which was referred to earlier. The other two occasions occur about the fifth and eighth week when, for two subjects only, the membership of the syndicates is altered, although the pattern of their composition remains the same. These are known as Modified Syndicates.

Because the College is residential, there is also a wide exchange of information and thought outside the formal programme. One product of this combination of continuity and interchange is the growth of a closer understanding and appreciation of each other's point of view by members from private industry, public enterprise and government. This, which was one of the objects for which Henley was founded, emerges quite spontaneously as each course develops. It is encouraging to find the same kind of growth taking place at Hyderabad.

The choice of three months as the length of the course at Henley was largely dictated by the objects of the course and the type of members for whom it was designed. It was considered that this was the minimum period in which anything useful could be done and that government and business firms would be prepared to consider releasing outstanding men or women for this period, but would not take kindly to their being away for longer. Even otherwise, it may probably be undesirable for them to be away from their normal work for longer period at this particular stage of their development. Opinions, however, vary in different countries on this point. The Sloan Fellowship programme in the United States, for example, is for a whole year.

Hyderabad has in fact followed the practice in the United Kingdom. Experience so far would seem to confirm that both the present duration and character of the course are appropriate and adequate to meet the needs.

The Contents of the Course

Administration is concerned with the unified and continued direction of an undertaking, but for practical study some break-down into subjects is necessary. Essentially, therefore, the course of studies consists of an analysis and a synthesis. The analysis has three parts : (i) a study of the international relations of an organisation; (ii) a study of the specialist functions which go to make up the whole; and (iii) a study of the external relations of different organisations with each other. The synthesis has two parts : (a) the examination of the reaction of a whole undertaking to a set of particular circumstances; and (b) consideration of the problems of overall direction, which is the responsibility of those at the head of the undertaking.

The first requirement of a programme which aims to work largely by a process of 'spontaneous combustion' is to enable members to understand the background of their colleagues and the kind of experience which they have to contribute. This forms 'Part A' of the course and is achieved by getting each syndicate to report on the administrative structures of the undertakings represented and to comment on similarities and differences found and the reasons thereof. In his first few days at the College, every member, therefore, has to make a contribution; for there are never two members from the same undertaking in the same syndicate. This is followed, in 'Part B' of the course by the study of four aspects of internal relations: (i) the principles of organisation and problems of the interrelation of departments; (ii) delegation and control; (iii) management of the individual and the work group; and (iv) accountability. 'Part C' consists of the examination of various specialist functions by the members who have experience of them. Their reports are reviewed in a series of conferences by the general body organised in their ordinary syndicates. In 'Part D' are considered the interrelations between organised labour, industrial or commercial undertakings in the public and private sector and central, state and local governments. This completes the analytic section of the programme.

A partial synthesis is obtained in 'Part E' where syndicates are required in three studies to consider the dynamic problems of adjustment of an undertaking to economic and technological change

and of developing and maintaining vitality of administration when there are no such outside pressures. The synthesis is completed in 'Part F' by an examination of the responsibilities and duties of top administrators and managers.

To focus attention on the personal qualities and practices required for administrative leadership, which they have been asked to discount in their studies of organisation, syndicates undertake two biographical studies—one during each half of the course. A special assignment is also arranged to enable syndicates to examine some special topic of current public importance; in the first session, it was the location-of-industry aspect of the Second Five Year Plan.

Instruction in the essential concepts of accounting and statistics is given in a series of lectures to assist the members in understanding the contemporary issues for which a knowledge of accounting and to some extent of statistics is desirable. This helps to remedy in some measure the ignorance of these subjects in many businessmen and government servants in India, as in England. General background lectures on questions of economics and economic organisation are also provided. These are the only subjects which are wholly or largely covered by the lecture method. Other lectures at the College relate to specific aspects of subjects under study by the syndicates, and form only a minor part of the method of instruction.

In general, the subjects studied at Henley and Hyderabad are the same. At Henley, delegation, control and accountability are treated together in the second part of the course; in view of the different constitutional position in India and the relatively greater importance of the impact of Government on the community, the fourth part of the course carries relatively more weight at Hyderabad and is dealt with on a slightly different basis; the content of the 'special subject' is also naturally different. These are, however, differences more of form than of substance. The flexible character of the method of work has allowed it to be readily adapted to new circumstances and the usefulness of the basic concept of the course has been amply demonstrated by the experience of the first session at Hyderabad, which has also thrown up a few proposals for substantial modification.

The normal syndicate period lasts for an hour and a half. It, however, lies within the discretion of the Chairman and the syndicate to decide whether to meet for the whole period or less; whether to arrange extra periods—too frequent resort to these almost certainly betokens bad planning or lack of control; or whether to cancel a meeting altogether, which they are perfectly entitled to do if they can effectively complete their study in less than the prescribed time.

The time allotted to subjects naturally varies according to their complexity and importance. To give time for reading and maturing of thought, to vary the daily fare and to ensure that the responsibilities of serving as Chairman and Secretary are fairly evenly spread throughout the duration of the course, each subject extends over a considerable period. At any one time syndicates will be engaged on four to six studies in different stages of completion under different chairmen. A short subject will occupy, perhaps, six syndicate periods spread over some ten to fourteen days; a lengthy subject may be given fourteen periods including lectures and may remain on the programme for three or four weeks or even six as is the case with biographies, for which much reading has to be done. This overlap, in addition to emphasising the inter-relation of many of the individual subject studies, imparts a realistic touch to the training. In his normal life a succession of different problems flows daily over the administrator's desk.

Selecting the Trainees

The period of study at the College is but an interlude in the career of the member. As pointed out earlier it is not designed to train him for a new vocation or to train fresh recruits for administrative positions; its primary purpose is to sharpen his already acquired administrative skills and broaden and deepen his administrative insights. The person best able to judge the need for such advanced training in the light of the past performance and future potentialities and prospects of an individual is the employer. To give higher training to someone who is unlikely to have the opportunity of reaching a position of high responsibility would be a waste of time and money; and it will bring nothing but frustration to the individual concerned. To release an important officer in an organisation for a period of three months calls for considerable re-arrangement of duties in the organisation however large. Again, because of the special character of its course and the syndicate method of study, the College, more than most educational institutions, depends for its success on the quality of the candidates coming forward. Moreover, the College at Henley is and always has been financed entirely out of fees and voluntary subscriptions; while the College at Hyderabad has received an initial grant from Government to supplement voluntary contributions, but this financial aid has been given on the understanding that the College will be self-supporting within three years. It has, therefore, been found necessary at both Colleges to charge fees which many of the candidates cannot be expected to afford.

For all these reasons, the active co-operation and help of the employer in the selection process is indispensable.

The College, therefore, requires that all candidates be nominated by their employer. In England the necessary understanding between the College and the employers has come to be established over a period of years. The Hyderabad College has still to develop a similar relationship with employers in India—be they private industry, public enterprises, or Governments.

It is equally important that the College should have the right of selection, to ensure that it gets the right balance of members in each session. The procedure for selection, therefore, is that candidates are nominated by their employers and selected by the College, if possible, after interview. The interview is designed more to assess whether the candidate will fit well into the College programme than just to determine his suitability for admission. Some of the factors which have to be considered here are : What syndicate should he be assigned to? Which chairmanships should he hold? Is he already mature and likely to make a quick start? Or is he someone who will probably 'come on' as the course proceeds? The interview is also the first contact of the College with a prospective member and gives opportunity for conveying to him some idea of what he will be expected to do if he is selected and to initiate him into the College climate. In Henley, this object is promoted by the fact that all interviews are held at the College. In India, this is more difficult; the journey to Hyderabad is from most parts of the country long and costly. For this reason, interviews will probably be held in various centres at regular intervals, which will make it more than ever necessary for nominators to submit the names of candidates well in advance. From the point of view of the College, it would be desirable that employers should think a year ahead in notifying their selections, as some employers have already started to do. From the employers' point of view too, there are obvious advantages in planning well in advance to release an important man.

As to qualifications for admission, the College is interested more in the fact that candidates have had considerable experience in their field of work and have shown good promise for holding responsible positions and for further development than in any formal educational qualifications, although a good education and capacity to communicate are obviously necessary. These requirements and the experience of Henley indicate that the normal age range of candidates should be between the middle thirties and early forties. At Henley, candidates outside the range of 35 to 42 are regarded as exceptions. The

average is consistently about 39. Especially in the formative stages, it is wiser to avoid hard and fast rules. Hyderabad is still experimenting.

Staff and Research

From the foregoing account of the method of work, it is apparent that the role of the staff in the Administrative Staff College is not that of teachers or instructors in the conventional sense. Each member of the Directing Staff is responsible for preparing the papers on several of the subjects in the programme. He has to keep in regular touch with the latest developments and thinking in his particular field and know who are the people who can make a particular contribution to some aspect of it by talks or as witnesses to 'tour' the syndicates. He has also to find out which factories, public institutions, or other places it will be useful for the members to visit, if field observations will help in the study of the subject. Above all, he has to understand the methods of work of the College and possess those personal qualities and experiences which will entitle him to act as a guide, philosopher and friend to his syndicate and its members collectively and individually.

The members of the staff are not, therefore, expected to be experts in business or public administration or specialists in any one of these particular aspects. Their number is quite small. One member for each syndicate, one or two extra to allow for a sabbatical session at intervals, a Director of Studies, a Director of Research, a Bursar-Registrar and the Principal form the operational staff at Henley. Of these usually two members are on temporary loan from industry, commerce or the civil service; the remainder are on the permanent establishment. One of the temporary members at Henley is always a banker, who is invaluable for the wide experience of people and of business finance which he brings to bear upon, and for the knowledge which he can contribute to, the financial aspects of some parts of the course.

The selection of the teaching staff at Hyderabad has been made as far as possible on the same principles as are followed at Henley. One way in which Government and business concerns can help is to second senior members of their staff to serve on the directing staff of the College for periods of not less than one session, as did Hindustan Lever Ltd., recently by seconding one of their Directors to the first session.

The Hyderabad College cannot afford to recruit permanent staff of calibre; it can, however, have the benefit of the valuable and rich experience of higher business executives and administrators by their secondment for short periods. The latter, who are too senior

to come to the College as ordinary members, will find their short stay at the College equally instructive and exhilarating.

The initial role of the research department in both Colleges has been to provide material for the course of studies. At Henley, the object has hitherto been that the research department should not be large, but it should be the focal point of research in administration. In co-operation with universities and other bodies, the department has recently been devoting increased attention to fundamental research. It is to be hoped that the Hyderabad College will also, in due course of time, become a centre of basic research on administrative problems. Research into administrative processes is still, however, largely in its infancy. Much requires to be done but there is wisdom in proceeding slowly in a vast and complex field such as administration, where both objectives and disciplines still require considerable clarification. Administrative research is still to be differentiated from research in the fields of government, applied economics, sociology, psychology and other similar studies which are already well established in some universities and other institutions.

Conclusion

The programme of study for higher training in administration, which has now shown itself so adaptable to the circumstances of India and which was also adopted at a similar College in Australia in September 1957, was built up as a result of the creative thinking of Sir Noel Hall, the Principal of the College at Henley since its inception. To recapitulate, the special character and content of the training programme at the College are based on five major postulates. These are : *first*, there are common problems which all administrators have to face in whatever field they work; *second*, the duties of administrators in both the public and private sectors are becoming increasingly complex and diverse; *third*, the exact role which each type of administrator has to play in relation to others engaged in his own field and in other fields and in relation to the public interest requires a continuous review and appraisal; *fourth*, the growing complexity of objectives and organisations in the highly diversified democratic society of today requires for its study a method which is flexible and thought-provoking rather than dogmatic; and *fifth*, the method of study must seek to evoke qualities and skills which are required in men or women who as a consequence of their experience and abilities are likely to be called upon to exercise an influential role in the future development of their concerns.

THE RAILWAY RATES TRIBUNAL

Amba Prasad

THE Administrative Tribunals in India have, during the last two decades, grown both in number and coverage. Their main object is to provide cheap and quick means of dispensing administrative justice to citizens, ensuring all the same a continuous and stable flow of governmental activities. The Indian Railway Rates Tribunal, which was first set up in April 1949 to settle disputes in regard to railway freight rates between the railways and their users, is an institution of its kind, having both advisory and mandatory jurisdiction.

The composition and the powers of the Railway Rates Tribunal have been recently modified by an amendment of the Indian Railways Act. The exclusive legal character of the Tribunal has been altered to include members with experience of industry, business and railways. The jurisdiction of the Tribunal has simultaneously been considerably curtailed—a development which is likely to reduce its utility a good deal. These important changes in the organisation and functions of the Tribunal are examined in this article in the context of the evolution of a suitable machinery for redress of complaints about the railway freights and charges. The object of this survey, based on a first-hand study by the writer of the available documentary material on the subject, is to highlight the importance of the reorientation of the Government's policy in regard to the role and functions of Administrative Tribunals for protecting the interests both of the State and individual citizens and also to outline certain principles of procedure on the basis of Indian and foreign experience for the future use of the Tribunal. It need hardly be added that Government's policy should be based on an extensive, and at the same time detailed, study of the working of Administrative Tribunals in India.

The origins of the Indian Railway Rates Tribunal go back to the early nineties of the last century. Though, even as early as 1854, the Railway and Canal Traffic Act of England provided for protection against abuse of its monopolistic powers by the railways and the subsequent Acts of 1873, 1884 and 1888 provided for the creation of machinery to determine complaints of undue preference, and reasonableness of rates *per se*; it was not before 1890, however, that Indian railways were brought under a statutory obligation to treat all consumers alike and to provide for some machinery to hear and dispose

of complaints. But the Indian Railways Act 1890 departed substantially from the British legislation. Unlike the British machinery, the machinery proposed for India was neither permanent nor mandatory; nor had it jurisdiction wide enough to include reasonableness of rates *per se*.

The Act of 1890 provided for the setting up of an *ad hoc* Railway Commission, consisting of one Law Commissioner and two lay Commissioners, to hear complaints only about traffic facilities and un-reasonableness or otherwise of rates. The Commission was to take cognizance of such cases as might be referred to them by the Governor-General-in-Council. No better comment can be made on the machinery proposed in the Act than to mention the fact that the Commission was never set up, even though provision for it continued to exist on the statute book up to 1937.

There was criticism of the kind of machinery proposed in the Act by railway experts like Thomas Robertson and by the public generally who strongly urged that an expert committee should consider the whole question of its revision. The Acworth Committee of 1920-21, which considered, among others, this matter also, recommended the creation of a Railway Rates Tribunal, as proposed in Part III of the British Railways Act, 1921.

It was to consist of an experienced lawyer as chairman and two members, one representing the railways and the other the commercial interests; with power, in any case deemed of sufficient importance, to co-opt two additional members, drawn similarly. The jurisdiction of the Tribunal was to embrace (1) all questions of reasonableness of rates, even within the contractual maxima and minima, and (2) complaints in regard to unreasonableness of rates and inadequacy of facilities. The Committee also recommended that the adverse opinion of the Government of India on any application should not stand in the way of its consideration by the Tribunal.

The Railway Board did not, however, accept the recommendations of the Acworth Committee; it was opposed, in principle, to the control over rates by a tribunal and favoured the establishment of an advisory, investigating committee. The Railway Rates Advisory Committee which was set up in 1926 had the form of Rates Tribunal recommended by the Acworth Committee but it had none of its substance. The Committee was the creation of the executive arm of the Government and its functions were purely advisory in nature; the Tribunal would have been a statutory, mandatory body whose decisions were final and binding on all. The Committee could take notice only of such complaints as would be referred to it by

Government; the Tribunal could receive complaints directly. Furthermore, the Committee was to deal with certain types of complaints of undue preference and un-reasonableness of rates; the classification of goods as such was outside its purview.

A brief review here, of the actual working of the Rates Advisory Committee during the two decades of its life, from 1926 to 1947, would provide instructive background for the functioning of Railway Rates Tribunal which succeeded it. The *first* notable fact is the small number of applications received. Only three applications were received on the average every year. This was not due to any dearth of complaints, it was due to a lack of confidence in the Committee and the prohibitive cost involved. The loss of the prestige and confidence by the Committee was the result of the misuse by the Government of its powers over the Committee. The Government freely exercised its right to withhold applications from the Committee; it actually withheld 57% of the total applications received during the period 1926-27.

Secondly, the Railway Board tended to become the final judge not only of law but also of fact and findings. As the Wedgwood Committee, 1937, also pointed out, the procedure, from the stage of the receipt of the application to the stage of its final disposal, was so designed that the Committee came too much under the influence of the Railway Board.¹ It was up to the Board whether to accept findings of the Committee fully or partly, or to reject them. The Committee gave their decision in 45 cases in all. Of these, 34 decisions were accepted *in toto*. The Board rejected the findings in two cases, partially modified them in five others, and accepted them conditionally in three cases.

In the *third* place, each case took too long—on the average 488 days—to be disposed of. The result of the protracted delay in obtaining relief was that some firms had to close down. As an example may be cited Calcutta Oil Mills; many of them had to go out of existence owing to the unfair competition with U.P. Oil Mills.² The ultimate findings of the Rates Committee, though favourable to the Calcutta Mills, came too late to benefit them. Added to the factor of delay, was the enormous cost to the parties. The railways were spending on the average Rs. 72,812 per case and if the private trader wanted to win his case, he too might have to spend an equal sum. The public was greatly dissatisfied, as is clear from the

1. *Wedgwood Enquiry Committee Report* (1937), para 133.

2. Letter of Bengal National Chamber of Commerce to the Railway Board, dated the 28th December, 1940, *Report of the Chamber*, 1940, p. 148.

memoranda submitted to the President of the Railway Rates Advisory Committee in 1931³ and President's own criticism.⁴

The findings of the Committee, on the whole, show the large extent to which the rates were unreasonable. 51% of the cases brought up, leaving aside the cases withdrawn or compromised, were decided in favour and only 24% against the applicants. The cases compromised or withdrawn constituted 26% of the total, of this about half were withdrawn by the applicants of their own accord, leaving only 13% of the cases actually compromised.⁵

The above conclusions, drawn by the writer, on the basis of factual data, are at variance with the opinion expressed by the Railway Freight Structure Enquiry Committee, 1955-57 (Mudaliar Committee). The latter observed that "its (Rates Advisory Committee's) recommendations were accepted by Government except in very rare cases. It showed a high degree of competence and there was no complaint or grievance that the decisions of the Committee were, in any way, faulty or that these decisions were not marked by a correct appreciation of the situation or that the proceedings were dilatory in character."⁶ Apparently these laudable observations were made without any first-hand investigation and were prompted more by a tendency to idealize an advisory committee as against a mandatory Tribunal.

II

Considering the growing public dissatisfaction with the working of the Railway Rates Advisory Committee, the Government brought up a Bill in 1948 before the Constituent Assembly (Legislative) for the setting up of a Railway Rates Tribunal. The Tribunal, as constituted in 1949, under the new law, consisted of three members, one President and two members, *all* of whom were persons qualified to be appointed as judges of the High Court. In the composition of the Tribunal thus more than usual weight was given to the legal element; in that respect there was a difference between it and similar bodies in U.K., U.S.A., and Canada. Whereas the Indian law required all the members of the Tribunal to possess judicial experience, the British

3. *Memo received in connection with the amendment of the Indian Railways Act 1890, (1931)* by the Railway Rates Advisory Committee.

4. *Recommendations of the President of the R.R.A.C. 1931*, pp. 17-21 and 45.

5. The exact position was as follows:

For the Applicant	Against the Applicant	Partly for and Partly against	Compromised and withdrawn	Not considered
23	11	11	17	2

6. *Report of the Freight Structure Enquiry Committee, 1955-57* (Mudaliar Committee), Vol. I, Pt. I, para. 282.

Tribunal consists of a lawyer President and two other members possessing commercial and railway experience. Further, two panel members are associated with the British Tribunal as additional members; the decision of the Tribunal is by the majority of members both regular and additional. In the case of the Indian Tribunal, the panel members had an advisory capacity, though four of them might be so associated. The Canadian Board of Transport Commissioners has generally consisted of six members, of whom the Chief Commissioner and Assistant Chief Commissioner have been men with legal qualifications. No statutory qualifications have been prescribed for other four members, who have actually been non-legal persons. The object behind these arrangements in Canada is to facilitate two simultaneous sittings of the Board, with three members each and with a legal chairman for each. Both lawyers and businessmen have served on the Inter-State Commerce Commission of U.S.A., which consists of eleven members; the number of persons with railway experience has been negligibly small.

In support of this departure in favour of the legal qualifications from the usual practice elsewhere, a number of arguments were advanced on the floor of the Constituent Assembly (Legislative) in 1948 when the proposal came up for discussion. It was considered undesirable, in the first place, to have a person experienced in commercial affairs and another experienced in railway administration because the decision of the Tribunal would then be influenced by persons who were habitually biased in support of certain points of view. Further, as there was to be only one member to represent the commercial interests, it was difficult to get a man who might be expert in every trade and industry; if he were an expert on jute, for instance, he might not be competent to deal with textile cases. Another reason given was that in a tribunal of this type all the three members would have to be present on all occasions, no matter whether the complaints dealt with related to major issues or to minor details. The present composition, on the other hand, enabled the disposal of cases by Single-Member Bench as well. The Act provided that where, in the opinion of the President of the Tribunal, any matter *prima facie* appeared to involve a question of principle, it will be decided by the Full Bench, and all other matters will be decided by the Single Bench, unless the President, in his discretion, may direct otherwise. And where a Single Member after hearing any matter considered that it involved a question of principle, he will refer the matter to the President who will direct that the matter be decided by the Full Bench.

The actual experience of the working of the Tribunal has shown that the advantage of expeditious disposal of cases was hardly realized

in actual practice; the Tribunal, all the same, had the disadvantage of the lack of further knowledge and experience of railway working and of business and industry. The Tribunal adopted mostly the procedure followed by Railway Rates Advisory Committee. The result was dilatoriness in the disposal of cases. During the period 1951-54, the Tribunal gave decision in 11 cases; and the average time taken for a case was 11 months, though one case dragged on for a year and eight months. On the other hand, the average time taken per case by the British Transport Tribunal, during 1949-50, was three months; and by the Inter-State Commerce Commission of U.S.A., during 1952, was $4\frac{1}{2}$ months. The disposal time taken by the Indian Tribunal was excessive and the Tribunal itself admits that it should not be more than six months.⁷ At the same time, the expenses to the complainants went up from Rs. 10,000 to Rs. 20,000 per case. This was largely on account of the parties engaging the best legal talent for presenting the case and the high fees charged by such lawyers.

In view of the above, the revision of the constitution of the Tribunal was clearly indicated. Though the commercial and industrial circles were not unanimous in the demand for the revision of its composition,⁸ public opinion in general, the expert opinion of the Mudaliar Committee,⁹ and Government's own views¹⁰ were in favour of so revising its composition as to adopt the model of the British Transport Tribunal—a judicial Chairman and two other permanent members chosen from industry, business or railways. The Mudaliar Committee said "Whatever might have been the apprehension in the minds of the legislature in 1948, we consider that, in the Railway Rates Tribunal, there must be men with knowledge or experience of trade and commerce and that it should not be over-weighted with persons purely of judicial or legal experience".¹¹

Section 34 of the Indian Railways Act 1890 was amended by Parliament in December 1957 so as to revise the composition of the Tribunal essentially along the lines of the recommendations of the Mudaliar Committee. It is now to consist of a Chairman, who, at the time of appointment, is or has been judge of Supreme Court and of two other members "who have special knowledge of commercial, industrial or economic conditions of the country or of

7. *Ibid.* Vol. II, Pt. II. p. 812, Evidence of Railway Rates Tribunal.

8. The Federation of Indian Chambers of Commerce and Industry, and Indian Merchants Chamber, Bombay favoured the existing composition with the association of assessors; chambers in Calcutta and Kanpur and some others in South India desired changes in its judicial composition. *Ibid.* Vol. II, Pt. II, pp. 217-227, Evidence of Chambers of Commerce and Industry.

9. *Ibid.* Vol. I, Part I, Para. 286.

10. *Ibid.* Vol. II, Pt. II, p. 809, Evidence of Ministry of Railways.

11. *Ibid.* Vol. I, Part I, Para. 286,

the commercial working of the railways". They are to be appointed by the Central Government for a period, not exceeding five years, and shall be ineligible for re-appointment.¹²

The debate in Parliament on the matter showed that most of the members who spoke welcomed the change; they hoped that it would lead to expeditious disposal of cases and to the avoidance of too legalistic an approach.¹³

The Tribunal, as constituted under the 1948 law, was assisted in its investigations by assessors, appointed by the Central Government. The assessors were grouped in two panels: (1) the trade, industry and agriculture panel and (2) the railway panel. The first panel consisted of not more than sixty persons, one-third representing trade, industry and agriculture each, chosen after consultation with trade associations. The railway panel was to consist of not more than thirty persons with railway experience. The tenure of the assessors was two years, with provision for re-appointment on the expiry of the term.

The assessors did not take part in the discussions of the Tribunal; they gave their opinion immediately on the conclusion of arguments and the Tribunal would reserve the judgement. It is rather interesting to note that there has not been a single case where an assessor chosen was objected to by any of the parties and the Tribunal seems to have attached some weight to their opinions. Out of 33 cases decided by the Tribunal from its inception to March 1956, assessors were called in 20 cases; and the number of cases in which the opinion of assessors was accepted, rejected and partly accepted was 11, 4 and 5 respectively.¹⁴

However, the Tribunal has itself doubted the usefulness of the system and has expressed the opinion that "the advice of the assessors has been of very little assistance to the Tribunal".¹⁵ The Mudaliar Committee found that there was an overwhelming opinion against the use of assessors and it therefore recommended its abolition.¹⁶ The system has since been abolished by the amending legislation of 1957. Parliament generally favoured the change. It was felt that the purpose for which it was introduced would be better served by the revised

12. The Mudaliar Committee had, however, recommended that they should be eligible for re-appointment and their appointment should be made by the President of India on the recommendations of the Law Minister, the Minister for Industry and Commerce and the Minister for Railways, *Ibid.*, para. 292.

13. Lok Sabha Debates, 5th and 6th December 1957. Only Shri S. C. Samanta did not favour the change.

14. Reply to Unstd. Q. No. 273, *Lok Sabha Debates*, d. 6-3-1956.

15. *Report of the Mudaliar Committee*, op. cit., Vol. II, Pt. II, p. 813. Evidence of the Tribunal.

16. *Ibid.* Vol. I, Pt. I. Para. 291.

constitution of the Tribunal. In view of the changed composition of the Tribunal the abolition of the system of assessors is amply justified, though in England they still cling to the use of assessors in their Transport Tribunal.

III

The jurisdiction of the Tribunal, under the amending legislation of 1948, extended to (1) complaints relating to undue preference or to unreasonable rates or to unreasonable charges (excluding the terminal charges) or to rates which become unreasonable by reason of any condition attached to them regarding minimum weight, packing, assumption of risk or any other matter; and (2) to complaints about the unreasonable placing of a commodity in a high class and about the refusal of the Railway Administration to quote a new station-to-station rate. The Tribunal had the power to fix a new station-to-station rate in case of complaints of the latter category. The jurisdiction thus covered a wide area of possible grounds of complaints, mostly the heads dealt with by the Railway Rates Advisory Committee which was being replaced by the Tribunal. Several matters, however, were excluded from its jurisdiction. Important among these were : (1) changes in the level of class rates and schedule rates; (2) classification of any commodity which had not been classified before. The Tribunal, however, had the power to classify any commodity in a higher class. That is, the Railway Board could not reclassify a commodity in a higher class without the approval of the Tribunal, though this power could not be exercised except on the application of the Central Government. Moreover, the Tribunal shared with the Central Government the power to reclassify a commodity in a lower class; (3) questions relating to scales of charges levied by a railway administration for the carriage of passengers and their luggage, parcels, etc., except on a reference made to the Tribunal by the Central Government; and (4) terminal charges.

At the time of the consideration of the amendment of the Indian Railways Act in 1948, there existed an overwhelming opinion in the country for the conferment, on the Tribunal, of an extensive jurisdiction. The President of the Railway Rates Advisory Committee supported the plea of the various Chambers of Commerce in respect of a wider jurisdiction. It was pointed out that the jurisdiction of the parallel bodies in England, U.S.A. and Canada was much wider than what was proposed for the Indian Railway Rates Tribunal. The British Transport Act 1947 had conferred on the British Transport Tribunal power to refuse or confirm or modify any charges

scheme, including freights, other charges and passenger fares, levied by the Transport Commission.¹⁷

The subject of jurisdiction has raised a good deal of controversy recently. An analysis of opinion expressed as evidence before the Mudaliar Committee and as revealed in Parliament in the course of discussion on the Indian Railways (Amendment) Bill, 1957, shows a deep disagreement on the question of jurisdiction and powers. The Railway Rates Tribunal,¹⁸ certain chambers of commerce and industry,¹⁹ and a number of university professors²⁰ favoured an extension of the jurisdiction of the Tribunal, though there were differences as to the directions and the extent of extension. The Mudaliar Committee, in spite of overwhelming opinion to the contrary, was opposed to any extension; it even recommended some diminution.²¹ The Tribunal, the Committee recommended, may be deprived of its mandatory power in respect of complaints falling under section 41 (e) of the Act viz., complaints that a railway administration has unreasonably placed a commodity in a higher class. "Instead the Tribunal may be conferred certain advisory jurisdiction in this regard", said the Committee. Following generally the recommendations of the Committee, the recent legislation has reduced the jurisdiction and powers of the Tribunal.

The jurisdiction has now been limited to the adjudication of complaints of unreasonableness of rates between two stations and unreasonableness of any other charge. The Tribunal may fix any rate or charge it considers reasonable in respect of the complaint, provided it is within the limits of the maximum and minimum rates fixed by the Central Government. A new provision relates to the revision of orders by the Tribunal at the expiry of one year, if circumstances change and if the application is made by the Railway Administration and if the Tribunal thinks it proper to accept the case for revision. This is a useful change, as it loosens the fetters of precedents and makes adjustments possible in the light of further experience.

The jurisdiction of the re-constituted Tribunal will not extend to (a) raising or lowering the level of class rates or other charges, (b) classification or re-classification of any commodity, (c) fixation of wharfage and demurrage charges, (including conditions attached to such charges), (d) scales of charges by a railway administration

17. Sections 76-80 of the British Transport Act 1947.

18. *Mudaliar Committee*, Vol. II, Part II, p. 812. Evidence of Railway Rates Tribunal.

19. *Ibid.*, Vol. II, Part I, pp.217-227. Evidence of Chambers of Commerce and Industry.

20. *Ibid.*, Vol. II, Part II, pp.731-780. Evidence of Universities.

21. *Ibid.*, Vol. I, Pt. I, para. 300.

for the carriage of passengers and their luggage, parcels, military traffic and traffic in railway materials and stores. The Tribunal has, however, been vested with an advisory role in respect of items (b), (c) and (d) above, on a reference from the Central Government.

Thus, the effect of the new legislation will be to take away from the jurisdiction of the Tribunal the power, which it had hitherto enjoyed, to approve the raising of the class of any commodity, and also the power which it had hitherto shared with the Central Government to re-classify a commodity in a lower class. As discussed earlier this change has not been in keeping with the public opinion. In Parliament, though no front-ranking member took part in the discussion, all participants, except one, criticised the reduction in the jurisdiction of the Tribunal.²²

There may be both political and practical difficulties in extending Tribunal's mandatory jurisdiction in respect of passenger fares and traffic; however, the questions of general level of rates and of classification or re-classification of a commodity must be treated on a different footing. The position now is that, while questions pertaining to unreasonableness of rate between two stations for the movement of a commodity, has been made justifiable, and, likewise, a complaint that the Railway Administration is levying a charge other than a rate which is unreasonable, will be decided by the Tribunal; it has no jurisdiction in respect of the rate-structure as a whole and of the reasonableness of the total railway revenues. It has only an advisory jurisdiction in respect of classification or re-classification of a commodity. All this is likely to stultify the working of the Tribunal; it would cause a good deal of heart-burning among the consumers of railway services. It would have been better if the Tribunal had been given advisory jurisdiction in respect of the general level of rates and mandatory jurisdiction in regard to classification or re-classification of a commodity.

Foreign experience and recent trends have been in favour of extended jurisdiction. The British Transport Tribunal's jurisdiction and powers under the British Transport Act of 1957 have been retained in the recent Transport Act of 1953. The Tribunal has, in actual practice, made effective use of this power. The draft charges scheme submitted by the British Transport Commission in March 1955, was referred to the Tribunal for approval and the Tribunal "considerably amended it". In U.S.A., it has been left to the discretion of the Inter-State

22. All criticised the diminution with the sole exception of one member—Shri Jagannath Rao; *Lok Sabha Debates*, 6th and 6th Dec. '57.

23. *Modern Transport*, (London), February, 1957, p. 2.

Commerce Commission to determine the constituent elements of a just and reasonable rate, which may be freight rate or passenger fare.²⁴ In Canada, the freight classification and rates and fares are subject to the approval of the Board of Transport Commissioners.

In defence of the exclusion of the jurisdiction of the Tribunal over the general level of rate and the determination of a rate-structure, two main arguments have been advanced. First, that parliamentary control of state-owned and departmentally-managed railways is always there; that the rate and fares are subject to the "glare of a regular and detailed parliamentary scrutiny",²⁵ and that the Parliament cannot divest itself of this control by delegating it to a Tribunal. Secondly, the Railway Administration should have unfettered power over the rate structure in view of the dynamic nature of India's developing economy.²⁶

It is true that the general level of rates and the question of total revenue are matters of policy which properly lie in the domain of Parliament. But, while a general control of policy by the Parliament is healthy and desirable, it is equally necessary that the rate structure or the rates and charges scheme, which is prepared by the Railway Board, be examined by a body like the Rates Tribunal for advisory opinion, before it is submitted to Parliament. Parliament is not an expert body, and the report of the Tribunal on the scheme, would enable Parliament to judge it critically, thoroughly, and in the light of other possible alternatives. If the Railway Minister gives the railway administration increased rates whenever it is in difficulty, without having the opinion of an independent, expert and impartial body, there is every danger that an inefficient and uneconomical administration may flourish. As mentioned earlier, the British Transport Tribunal is empowered to approve or reject the general rate and charges scheme; in the case of India, only an advisory role is suggested here, in view of the fact that the Railways are managed and operated directly by the Government in our country. In fact, the Tribunal can enlighten Parliament a good deal whether the principles laid down by it have been carried out by the Railway Board or not in drawing up their rates scheme. But parliamentary control in itself is inadequate, and can sometimes be perfunctory as was more than clear from the two-day debate on the Railway Bill in December 1957. The debate is remarkable for showing how Parliament can take even serious things so lightly.

24. Sharfman, *The Inter-State Commerce Commission*, pp. 362-363.

25. *Mudaliar Committee Report*, Vol. I, Pt. I, para 296.

26. *Ibid*, para 298.

In regard to the power of Tribunal over the classification or re-classification of a commodity, the Mudaliar Committee contended that in the context of dynamically changing situation in India, the Government should retain to itself powers of classification. It observed : "Several commodities are appearing in the market, which have not been classified hitherto, and as the country advances in its goal of industrialisation, there may be so great a shift in the importance of a number of commodities that consequent changes in the classification, either upwards or downwards, will become necessary".²⁷ The changing economic situation and the expansion of public sector of industry are accepted facts but private sector is apprehensive that government owned concerns might use their special position to have the rates fixed in favour of the public sector. A safeguard which is effective and which also commands public confidence is therefore essential. It is not right to assume that the only avenue for the safeguard of public interest is that of ministerial responsibility. Moreover, the disputes about the classification or reclassification of a commodity are of a quasi-judicial character. The Mudaliar Committee suggested that the representatives of interests affected in Parliament might raise the matter with the Ministry. That will, however, amount to parliamentary interference in details of rate making by an interested group and will hardly be an effective safeguard. An administrative tribunal, like the Railway Rates Tribunal, with its expertise and with semi-judicial methods and procedure of working, can thus protect public interest in this respect more adequately.

The past experience points to the justification of giving mandatory jurisdiction to the Tribunal in the matter. Five applications were filed, during 1950-55, for re-classification of commodities to a higher class by the Railway Board. Of these, three were allowed, one was rejected and another was withdrawn.²⁸ The fact, that one application was dismissed and another was withdrawn, underlines the importance of the retention of the provision in regard to Tribunal's prior approval before the classification of a commodity is altered. The private sector will then not be able to complain—justifiably or unjustifiably—that the classification was altered to suit the public sector at the cost of the private sector. It seems therefore that a good case exists for extending the jurisdiction of the Tribunal to questions of classification or re-classification of a commodity.

27. *Mudaliar Committee Report*, para 302.

28. *Ibid.*, Vol. II, Pt. II, p. 812, Evidence of the Railway Rates Tribunal.

IV

The Railway Rates Tribunal is essentially an administrative-business Tribunal; its procedure and methods of work should be so devised as to secure cheap and speedy justice, not only to the parties to the dispute but to all concerned. As the new Tribunal is soon going to be constituted and will get an opportunity to draw up its revised rules of procedure, it would be appropriate to outline the main principles which should govern the procedure of an administrative tribunal.

First, the Tribunal should, in giving its decisions, keep in view the interests of the general public and other parties who are not directly involved in the dispute but who would nevertheless like to be heard. The Tribunal has so far not shown a positive awareness that it has to keep in view the interests of the community as a whole,²⁹ though the party or parties affected are given a hearing as "interveners".

Secondly, precedents should play only a minor role in the decisions of the Tribunal. It is true that the Tribunal has held in one case that "it is not bound to abide by something that has been previously decided. On a more comprehensive record, they may arrive at a different decision"³⁰. But one would like the Tribunal to observe it as a well-established rule that precedents should not fetter the hands of justice and equity. The Inter-State Commerce Commission in U.S.A. "has subordinated the certainty and stability that might flow from rigid rules and unvarying principles to the demands of just and reasonable performance, as moulded by enlightened experience and informed judgement."³¹

Thirdly, the Tribunal should, as a matter of public policy, attempt informal settlement by bringing about compromises between the parties, before attempting a legal and formal settlement. In U.S.A. and Canada, a very large number of cases are compromised that way. In Canada the number of applications disposed of informally range from 88 percent to 96 percent of the total.³² The Railway Board, as also the Mudaliar Committee, have commended the procedure of the Inter-State Commerce Commission which has, what are called, 'informal dockets'. The basic principle is that the "Tribunal on

29. Occasionally one comes across such a remark as made by Shri Subramanyam in one case : "in regard to products of Agriculture, the welfare of the farmer and the protection of the public interest, should be taken into account in fixing the place of the commodities in the rates structure. *Bajrang Jute Mills Ltd., v. Eastern Railway and others*, R.R.T. (1954) ; per Subramanyam.

30. *Bajrang Jute Mills Ltd. Ibid.* per Lokur.

31. Sharfman, *the Inter-State Commerce Commission*, Vol. II, p. 368.

32. Currie, A. W. "The Boards of Transport Commissioners as An Administrative Body", in *Canadian Journal of Economics and Political Science* ; V. II, 1945, p. 348.

receipt of an informal complaint, bring the parties together in its presence and see if the matter cannot be settled by a better understanding of each other's point that will result. If such a settlement cannot be reached, the case can then be transferred to the 'formal dockets'. Though the Mudaliar Committee had recommended a statutory provision for such a procedure, the amending legislation has not included such a provision, presumably because such a system can be introduced by the Tribunal itself by revising the rules of procedure.

Other directions in which procedural improvements can be effected, but to which only a reference can be made here, are : (1) a limit should be placed on the time to be taken by parties in preparing their briefs and this limit should be strictly adhered to; (2) written evidence may be encouraged in certain cases in preference to oral evidence; (3) rules should be so devised as to reduce to the minimum the occasions for lawyer's appearance, and if an appellant did not employ a lawyer, the railway administration should not be permitted legal representation in that case.

V

The experience of India with the working of the Railway Rates Tribunal during the last ten years or so, on the whole, points towards its usefulness. The Tribunal was able to secure justice in a number of cases. During the years 1949-55, the Tribunal dealt with a total of 22 complaints. Relief was granted by the Tribunal to the parties in 9 cases, 6 cases were dismissed, and six were withdrawn and one was pending. The fact that the relief cases amounted to 60% of the total, excluding those withdrawn, underlines the need for the continuance of the work of the Tribunal; it also throws light on the extent of the genuineness of the grievances of the consumers. The Tribunal has also built up, as a result of the judgements, a body of principles in regard to the determination of railway rates, for the benefit of both the private industry and railway administration.

The working of the Tribunal has also shown defects in its composition, jurisdiction and procedure; these were brought to the notice of the Government by the public from time to time and were the subject of an enquiry by the Mudaliar Committee which reported in 1957. The recent railway legislation based on the Report, has remedied the defects of composition and removed certain anomalies but it has not made its jurisdiction wide enough, nor has it made it independent enough, to inspire public confidence. The

preceding discussion has, in a modest way, underlined the principle that, in a vital public utility undertaking, with state monopoly, it is legitimate, despite the existence of Parliament, that clashes between the public and private interest be subject to an independent process of adjudication and that it should be possible that administrations need not always, even if they think it important, have their own way.



The senior civil servants will confer freely with the Minister (unless, as rarely happens, he is unwilling to listen), and to the best of their ability place the facts before him and give such advice as they think right and proper. To discourage honest official advice—whether in national or local government—is both foolish and harmful. Advisers who are mere yes-men playing up to the Minister in the hope of advancement are just as dangerous as are obstinate and obstructive no-men. Both types are bad. Both sides to an argument should be heard and considered. At the end of the discussion it is for the Minister to come to such conclusions and give such directions as he thinks appropriate. It is then the duty of the civil servants to carry out the ministerial decision, doing their best to ensure the success of the Minister's policy, whether they have advised its adoption or not.

—HERBERT MORRISON
(In "Government and Parliament")

EDITORIAL NOTES

This editorial is, for the present Editor, also a personal note of farewell.

In all spheres of organised human activity, it is of great importance that institutions should have a vitality of their own, and not depend on the personalities concerned with their management from time to time. This *Journal* has now grown to its full stature as an institution which makes a worth-while contribution to the cause it stands for, viz., the study and improvement in Public Administration. On leaving India to take up an assignment abroad the present Editor has to pass on to others the honour and pleasure of steering the *Journal* on its future career, and he does so with the knowledge and satisfaction that better and more capable hands than his are available to take over the helm.

Such success as the *Journal* has achieved would not have been possible but for the unstinted and yeoman assistance received by the Editor from his Assistant, Shri B.S. Narula and other staff. In the conduct of the *Journal's* affairs both on the editorial and the managerial side, full opportunity has been taken to put into practice the principles of maximum decentralisation and delegation; this would not have been possible if the organisation did not have the services of persons like Shri Narula and Shri R.G. Mulgund—men of initiative, who are willing to accept responsibility and thrive and grow by exercising it.

—S.B. Bapat

RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

Recruitment and Services Organisation

The trend towards the liberalization of recruitment rules and simplification of procedures, a reference to which was made in the last issue, has continued. An important development, which indeed constitutes a landmark in the public employment policy of the Government, was the enactment of Public Employment (Requirement as to Residence) Act, 1957. This Act does away with domicile restrictions in regard to public appointments, which were in vogue in States. The reform was first recommended by the States Reorganisation Commission in 1955 and is directed towards strengthening the administrative unity of the country by ensuring real equality of opportunity to all citizens in matters of employment. Another similar reform, recommended initially also by the States Reorganisation Commission, relates to the recruitment of a proportion of High Court Judges in each State from outside the State. The Eastern Zonal Council, at its second meeting held at Patna on January 23, accepted in principle the desirability of recruiting one-third of the strength of the High Court Judges from other States. Following the second emergency recruitment to the I.A.S., the Central Government has formulated the I.P.S. Special Recruitment Scheme, to recruit 50 police officers drawn from States with a qualifying six years' service as D.S.P. The recruitment of Lower Division Clerks through an open competitive examination is being resumed after about 10 years.

There has also been some specific emphasis on preventing the operation of influence and patronage in the matter of recruitment to public services. In *Mysore*, under a recent amendment to the Mysore Government Servants Conduct Rules, 1957, senior officers of the State services have been required to obtain government's permission in regard to the employment of their near relatives in firms enjoying Government patronage. The *Mysore* State Civil Services General Recruitment Rules, 1957, provide, that all appointments to the State Civil Services, through the competitive examination will be made *in the order of merit* as recommended by the State Public Service Commission. (In the past, similar provisions have generally been made in rules relating to a specific service and not in civil services general recruitment rules.) In *U.P.*, the State Government has issued instructions that, when making recruitment, if the appointee happens to be a near relative of a Member of the State Government, the appointing authority should ascertain that he (the Member of Government) has no objection to the proposed appointment. It has further been laid down that the information regarding the proposed appointment should also be given to the Minister in charge of the Department in which the appointment is being made. Initial recruitment made on the recommendation of the State Public Service Commission, however, does not come within the purview of the instructions.

The decision of the Union Government to set up two new, separate all-India cadres—an Economic Service and a Statistical Service—represents a further step in the effort to reshape the structure of civil services to meet

the requirements of the fast growing economic activities of the Government. A Committee has been appointed, with the Cabinet Secretary as the Chairman, to draw up the blue-prints of the proposed cadres which will be administered by the Ministry of Home Affairs. To begin with, the two services will cover only central government posts requiring knowledge of economics or statistics,—as the case may be. It is proposed, later, to extend the scheme to selected State posts on request. Provision will also be made for short-term secondment, from and to these Services, of qualified personnel from universities and other similar institutions.

II. Manpower Planning and Training

The most important development in this field during the quarter was the announcement, by the Prime Minister, of the scientific policy of the Government of India. The Government resolution on the subject, which has been hailed as the 'Scientific Charter', describes the aims of the new scientific policy *inter alia* as follows :

"To foster, promote and sustain by all appropriate means, the cultivation of science, and scientific research in all its aspects pure, applied and educational.....
To encourage and initiate, with all possible speed, programmes for the training of scientific and technical personnel, on a scale adequate to fulfil the country's needs in science and education, agriculture and industry, and defence".

The Government resolution further states that "The Government of India has decided to pursue and accomplish these aims by offering good conditions of service to scientists and according them an honoured position, by associating scientists with the formulation of policies, and by taking such other measures as may be deemed necessary from time to time".

Manpower studies undertaken by the Central and State Governments have made further progress. These studies aim primarily at assessing the manpower requirements during the Third Plan so that suitable measures for expanding training facilities and programmes are taken in time. The State Governments of *Madhya Pradesh* and *Orissa* have completed studies of their manpower position in the context of the Second Plan. A similar study has been made by the *Uttar Pradesh* Government and the report is expected to be out shortly. That Government has entrusted the Planning Sub-Committee of the Cabinet with the work of man-power planning in the State. The Development Commissioner has been designated as the State Manpower Officer and the Planning Department will be the co-ordinating agency for the work.

Madras, Andhra and Kerala, the three States in the Southern Zone, have set up working groups to study their manpower position for the Second Plan and make assessment of their requirements for the Third Plan. These groups will concentrate attention on : (1) engineering personnel, including craftsmen; (2) health personnel; (3) educational personnel; and (4) agricultural and allied personnel.

States in the Northern Zone—*Jammu & Kashmir, Punjab and Rajasthan*—have also decided to take similar steps in pursuance of the recommendations of the Officers' Committee on Man-power of the Northern Zonal Council

which met at Chandigarh on March 2. The Committee also reviewed the progress made in regard to the deputation of trained personnel and the grant of technical and professional training facilities by one State to another.

The Eastern Zonal Council has set up a committee to examine the question of man-power planning in the region; it has also recommended the formation of a police reserve force and the development of electric power jointly by the States of the Eastern Zone.

Assam Government has also made a preliminary study.

The Union Ministry of Steel, Mines and Fuel has carried out a survey of the requirements of engineers in the coal mining industry.

The Central Directorate of Manpower is convening a Conference of State Manpower Officers on the 8th and 9th April, 1958.

In the field of training, the trend is towards broadening the training syllabi and the organisation of refresher courses. The Central Government has decided to revise the syllabus for the training of I.A.S. probationers to lay henceforth more emphasis on subjects like Social Welfare and Administration, and to reorganise the training period as follows: the first 8 to 9 months to be spent in the Training School; the next 15 to 16 in practical training in the States; and the last 3 to 4 months in the School again. The I.A.S. Training School at Delhi, and the I.A.S. Staff College, at Simla, are being shifted to Mussoorie shortly. The Department of Company Law Administration, Ministry of Commerce and Industry, in collaboration with the Institute of Cost and Works Accounts, has started a course to train some of their employees in cost accountancy. The course is subsidised by the Ministry; and teaching is looked after by the Institute. The course, which is for a period of 3 to 4 months, covers both theoretical and practical training.

In *Andhra Pradesh*, the State Government has formulated a comprehensive programme of refresher training for all directly recruited and promoted Sub-Inspectors with 4 to 6 years of service in that rank, and for directly recruited Assistant and Deputy Superintendents of Police with 4 years' qualifying service. The trainees will undergo an examination at the end of the course, and the result will be recorded in their personal files or service Books. An advanced refresher course has also been prescribed for Sub-Inspectors selected for promotion as Inspectors. Should a Sub-Inspector fail to secure a minimum of 40% in each subject, or a total of 50% in all subjects put together with not less than 30% in each subject, he will not be included in the promotion list. Similar examinations will also be held for Inspectors selected for promotion to the gazetted rank. The *Bihar* Government has prescribed a 9-month training course in secretariat business for probationary lower division assistants. The course is divided into three phases: (1) four to six weeks' theoretical instruction; (2) six months' practical training in departments; and (3) six weeks in a training class. At the end of the course there will be an examination and the trainees will be allowed, in all, four chances to pass it.

III. Conditions of Service

With the Second Central Pay Commission actively engaged in finishing its work as early as possible, the tension which prevailed in the lower levels of the services seems to have disappeared somewhat. On the basis of

an interim report by the Pay Commission, the Central Government has granted an increase of Rs. 5 per month, effective from July 1, 1957, in the dearness allowance of all Central Government employees drawing a monthly basic pay not exceeding Rs. 300. An increase of Rs. 2.50 has also been granted, with effect from July 1957, in the dearness allowance of Armed Forces personnel drawing a pay up to Rs. 300 per month. The Pay Commission issued, on January 14, a 78-point questionnaire eliciting views on matters pertaining to its terms of reference, from individuals and organisations apart from Ministries of the Government of India and State Governments. The Commission has sought views, among others, on questions of the application of principle of equal pay for equal work, participation of Government servants in political activities and the disparity between the emoluments of employees of Central Government, State Governments and local bodies. The Central Pay Commission of 1956 thought that its recommendations had to be made within the framework of the then existing socio-economic structure and that any attempt to remove social inequalities should be made directly by the State by measures, such as taxation, that would embrace all classes of citizens. The present Commission has raised the question whether its recommendations should be directed towards remoulding the structure of emoluments and conditions of service of Central Government employees so as to reduce economic inequalities.

Realising the need for special pay incentives for certain positions, the Orissa Government has recently reviewed the rates of special pay. The new rates are : for post of Under Secretary to Secretary, Rs. 150 to Rs. 250 p.m.; for I.A.S. officers appointed as Heads of Departments, Rs. 150 p.m. with provision for a higher rate for very senior I.A.S. Officers; and for certain posts in the I.P.S. cadre, Rs. 100 to Rs. 150.

There has been a rising demand for higher salaries for technical instructing personnel. The Conference of heads of technical institutions, held at New Delhi on March 12-13, recommended that the pay of technical lecturers should be brought at par with that of the corresponding superior services in the technical departments of the Central Government. It deserves to be noted here that on the recommendations made by an expert committee, the Co-ordinating Committee of the All-India Council for Technical Education, has recently approved a detailed scheme for rationalising and upgrading, on an all-India basis, of the salary scales of teachers of technical institutions, so as to attract qualified and experienced personnel to the profession. Different scales have been recommended for institutions functioning at the post-graduate, the first-degree and the diploma levels respectively. A salary of Rs. 2,000-100-2500 (with an additional pay of Rs. 500 in exceptional cases) has been suggested for Director-Principal of a post-graduate institution; the scale of Rs. 1,300-60-1,600-100-1,800 for heads of the first-degree institutions; and of Rs. 300-50-1,250 for heads of the diploma institutions. Adjustments have also been suggested in order to equate the posts in engineering colleges and polytechnics with the posts in the appropriate public works departments.

The Central Government has recently stepped up its activities in the field of employees' welfare. A Welfare Officer of the rank of Under Secretary has been appointed in each Central Ministry to look after the welfare of Class II, III and IV employees numbering more than 16 lakhs. Recently, a Chief Welfare Officer, too, has been appointed to co-ordinate

the welfare work undertaken in the Central Ministries/Departments. In U.P., the State Government has decided to relax the rules to allow Government servants, up to 10 per cent. of the strength of any office, to attend academic classes after office hours and to appear privately at academic examinations, without detriment to Government work. The Mysore State Civil Services General Recruitment Rules, 1957, recently notified, prescribe that the employing authorities should *ordinarily grant* permission to the State civil servants to apply for any post in a State Civil service unless the grant of such a permission will not be in public interest or will not be consistent with any specific agreement entered into by the applicant with the Government. In Kerala, the State Government has decided to grant special casual leave to enable members of the State services to attend courses of instruction organised by recognised all-India associations of sports and games. This concession already existed in regard to participation in sporting events and games of national or international importance.

For effectively combating corrupt practices on the part of government employees, the Union Government has recently amended the criminal law. The definition of "public servant", as given in Section 21 of the Indian Penal Code, has been extended to cover the employees of statutory corporations, Government companies and similar bodies. Such persons will henceforth come under the purview of the Prevention of Corruption Act, 1947 and any other criminal law relating to public servants. A conviction on a charge of criminal misconduct under Section 5 of the Prevention of Corruption Act will henceforth carry a compulsory sentence of *imprisonment for not less than one year*. If, for any special reason, the court wishes to impose imprisonment for less than one year, the reason will have to be recorded in writing. The new Act also provides that in such cases the fine imposed will be commensurate with the proved or presumed illegal gains. The giver of a bribe who gives evidence against the bribe-taker will henceforth be protected from prosecution in respect of the act of giving the bribe. The Administrative Vigilance Division of the Union Ministry of Home Affairs has issued instructions prohibiting Central Government servants from bidding at auctions arranged by their own Ministries or Departments. Any Government servant who does so, would be regarded as indulging in conduct "unbecoming" a Government servant within the meaning of the Conduct Rules.

The Government of *Rajasthan* has amended the Rajasthan Government Servants' and Pensioners' Conduct Rules, 1950, to prohibit State Civil servants from (1) participating in any demonstration or strike in connection with any matter pertaining to their service conditions, and (2) becoming members of any service organisation not recognised by the Government. The *Bihar* Government has also prohibited the State government employees from joining unrecognised service associations.

IV. 'O' & 'M'

The drive towards economy continues, though the emphasis has gradually shifted to the re-organisation enquiries and the overhaul of methods of work and procedures. The O.S.D. appointed by the Union Government to enquire into matters of services re-organisation and training, has completed his work in some important respects. The Union Government has set up a committee to suggest simplification of administrative and financial

procedures to expedite the implementation of agricultural production schemes and to recommend a model agricultural organisation in the States, with provision for delegation of suitable powers at the various levels of its hierarchy. The Government has under active consideration a proposal for the decentralisation of expenditure control at present exercised by the Ministry of Finance.

In *Assam*, the State Development Committee has set up a sub-committee to suggest improvements to promote speed in the issue of financial sanctions. The Government of *West Bengal* has re-organised the health services to integrate the curative and preventive sides, and also approved a comprehensive scheme for the rationalisation of health cadres and pay scales. In *Mysore*, an eight-member committee is at present engaged in carrying out a comprehensive examination of the organisation and working of the Public Works Department. The Government of *Punjab* has, for reinforcing the sense of responsibility among the civil services, issued instructions that "where as a result of discussion whether at headquarters or elsewhere with a Minister or touring officers, the executive (officer) concerned considers it necessary to issue instructions to his subordinates, these should take the form of orders from him *without quoting the Minister or Officer concerned*. When the official is doubtful as to whether he can accept such responsibility he should refrain from issuing such instructions and send a brief statement of the case to the Government for the issue of suitable instructions in the matter. The *Punjab* Government has, with the object of avoiding interruption in the disposal of office work, prohibited interviews before 12 noon with ministers and officials by members of the general public. The *Kerala* Government has, as a measure of economy, ordered that all officers who are afforded the facility of using Government transport, like cars, jeeps, vans, station wagons or other type of conveyances, should hereafter use only the Government conveyance for road journeys connected with inspection or tour. If such officers choose to travel in other modes of transport, such as their own cars, they will be considered as having done so not in public interest but only for their own convenience. In *Andhra Pradesh* the State Government has appointed a committee, consisting both of officials and non-officials, to make recommendations for the rationalization of the existing system of land revenue rates and irrigation charges.

At the Centre, a new department of "Defence Research and Development" has been set up to integrate scientific and military thinking in defence matters and to increase the tempo, scope and usefulness of scientific research in defence. The Union Government has decided to establish a separate Extension Wing in the Ministry of Food and Agriculture for purposes of securing fuller attention to the problems of increasing agricultural production. The Government of India has also decided to establish an Atomic Energy Commission, with necessary executive and financial powers, modelled, more or less, on the lines of the Railway Board. The Commission, which is to consist of full-time as well as part-time members, will have at least three but not more than seven, members with the Secretary, Department of Atomic Energy, as *ex officio* Chairman. It will be responsible for both the formulation and execution of policy of the Department of Atomic Energy and preparation of the Department's budget.

The Department of Company Law Administration has been transferred from the Ministry of Finance to the Ministry of Commerce and

Industry; the administration of stock exchange and insurance regulations, however, continues to vest with the Finance Ministry. The administrative and supervisory control over the New Delhi Municipal Committee and the proposed Delhi Corporation has been transferred from the Union Ministry of Health to the Union Ministry of Home Affairs.

V. Local Government and Community Development

The recommendations, made by the Study Team on Community Development and National Extension Service, in regard to democratic decentralisation of local self-government, have aroused considerable interest and attention. In *Andhra Pradesh* and *Madras*, Governments' proposal for reform of the local government follow generally the line of approach advocated by the Study Team, *i.e.*, transfer of power at the development block or panchayat-union level. The Standing Committee of the National Development Council, which met at New Delhi on January 12, accepted in principle the idea of decentralisation of authority to popular bodies below the level of the district; it, however, felt that it was for each State to decide for itself what pattern of democratic decentralised structure was best suited to its conditions, there being no need for any rigid uniformity in the matter between the different parts of the country.

Following the recommendations made by the Balvantray Mehta Study Team, the Government of India proposes to put into operation a revised programme for community development from April 1 this year. The major changes proposed in the revised programme pertain to the transfer of authority to peoples' institutions at and below the district level, merging of the N.E.S. and C.D. stages into a single phase, and the staggering of the programme into the Third Plan. In order to attain a sustained and accelerated tempo of development, it is contemplated that the programme should be implemented in two stages of five years each instead of the existing three phases, *viz.* N.E.S., C.D. and Post-Intensive. The revised schedule is expected to help in overcoming the present shortage of trained basic and supervisory personnel and also to tone up the general working of the programme by avoiding recruitment of workers of marginal calibre and qualifications.

In *Orissa*, the State Government has revised the constitution of Block Advisory Committees. The object is to make these Committees fully representative of the rural people. The changes proposed are : (1) The Sub-divisional Officer to be made the Chairman of the Committee, and officers of the sub-divisional level instead of the district level to be the members; (2) the election of the vice-chairman from amongst the non-official members of the Committee; and (3) ministers and deputy ministers of the Central and State Governments, who are normally not able to attend the meetings of the Committees, to be replaced by prominent non-officials to be nominated in consultation with them. The State Government has also set up a Consultative Committee for Community Development, consisting of Ministers, Members of Parliament and the Legislative Assembly.

Recently, all work relating to village panchayats so far handled by the Central Ministry of Health has been transferred to the Ministry of Community Development. The latter Ministry is also considering the administrative set-up which would be necessary to strengthen, expand and also to integrate the village panchayats with the development programme. The question

of actively associating the *Gram Dan* movement with community development programme is also receiving attention. In order to provide encouragement for really meritorious work in the community development programme during 1958-59, the Central Government has formulated a Prize Competition Scheme for village level workers throughout the country. The Competition will be held at four levels, namely, the block, the district, the state and the national level. The Universities of Agra, Nagpur, Aligarh, Viswabhārati, Andhra and Annamalai, have agreed to include the subject of community development in their syllabi for the degree and post-graduate examinations in Economics.

In Kerala, the State Government has sanctioned in, pursuance of the recommendations of an enquiry committee appointed in August last, higher pay scales, retrospective from September 1, 1957, for panchayat employees. All panchayats with annual income of Rs. 5,000 and above will have a Panchayat Officer either of Grade I (Rs. 80-5-120-EB-6-150) or Grade II (Rs. 40-3-55-4-75-EB-5-120). Panchayats with income below Rs. 5,000 per annum will be allowed a Panchayat Assistant in the scale of Rs. 35-3-65-EB-3-80. A minimum basic pay of Rs. 20 plus Rs. 22 dearness allowance has been fixed in case of full-time sweepers and scavengers. A connected but different development relates to an enhancement of the pay-scales of village officers in *Andhra Pradesh*. A village Karnam will get an additional pay of Rs. 5, a village headman, Rs. 3; and a village servant, Rs. 2 per month.

City Government in India is passing through a similar, though less marked, process of re-organisation. A Corporation has been established in the union territory of *Delhi* to replace the Delhi (City) Municipal Committee. It consists of 80 councillors with a tenure of four years chosen by direct election by adult suffrage; and of 6 aldermen, a mayor and a deputy mayor to be elected by the councillors. There will be a standing committee of 12 members, one-half retiring every year. The executive powers of the Corporation vest in the Commissioner appointed by the Central Government for a term of four years. Provision has been made to enable the Corporation to consult the U.P.S.C. in the matter of appointments to senior cadres of its services. The functions of the Corporation are similar to those of the Bombay Corporation except for some additions to its discretionary functions intended to enlarge the scope of its social welfare activities. Power has been retained by the Central Government to inspect offices and work of the Corporation, to issue directions and even to supersede the Corporation if found incompetent and inefficient.

In *Andhra Pradesh*, the State Government has asked *Shri C. Narasimhan*, I.A.S., Secretary to Government, Planning and Development Department, and Additional Development Commissioner, to enquire into the working of the Hyderabad Municipal Corporation, its offices, institutions and works. Proposals for the re-organisation of the Madras City Corporation were announced by the State Government in a White Paper sometime ago.

The recent emphasis on co-operative movement seems to be directed, among others, towards strengthening the training programmes. *Sir Malcolm Darling*, Colombo Plan Consultant to the Planning Commission, has recommended that the recruits to the Indian Administrative and Agricultural Services should be given a short special training course of two or three

weeks' duration in 'co-operation'. He has further suggested that new recruits should be sent to the field for preliminary job training before they are placed in a training institution and the Block Development Officers who are to exercise administrative control over co-operative extension officers should be trained in the theory and practice of 'co-operation'.

The importance of better planning and administration of social and welfare services has been specially underlined in recent months. The Conference of State Social Welfare Ministers, held at Madras on December 29, recommended that a social welfare department should be established in each state to look after subjects like the welfare of backward classes, family, women, children, social defence and rehabilitation, and general welfare services. The Conference stressed the need for the establishment of a Central Directorate or a Ministry of Social Welfare in the Union Government to coordinate the activities of the various central Ministries in the field of social welfare. It further recommended the co-ordination of the work of voluntary welfare agencies at the state level, inter-state co-ordination in the fields of social research and training, association of technically-trained and qualified or experienced social workers with the work of social welfare departments at all levels and the restriction of recruitment of personnel at lower levels to trained persons only. The Government of *West Bengal* has opened a separate department for tribal welfare to look after health, education, and development work in tribal areas. A Tribal Council has been set up in *Andhra Pradesh* to advise the Government on welfare and advancement of the Scheduled Tribes. The *Bihar* Government has established an Institute of Social Studies, in memory of the late Dr. A.N. Sinha, to undertake research in social, economic, political and other problems, which require independent and inter-disciplinary study.

VI. Educational Administration

The Union Government has constituted an All India Council of Elementary Education, consisting of 21 members, with *Shri K.G. Saiyidain*, Educational Adviser to the Government of India, as the Chairman. The main functions of the Council are to advise on and review the programmes for the expansion and improvement of elementary education in each state and to organise, or assist in, research on administrative, financial and pedagogic problems in the field. The Union Ministry of Education has drawn up a comprehensive programme of in-service training seminars to train the teachers in the rural institutes in the techniques of teaching. The seminars will be of three types—local, regional and inter-state. There will be in all about 24 local, 4 regional and 2 inter-state seminars. The object is to facilitate group discussions of problems of a local area or a particular region and to encourage co-ordination between the local agencies and the rural institutes.

In the field of social education, the Central Advisory Board of Education has recommended that both at the Centre and in the States, the entire planning and co-ordination of social education work should be the responsibility of a single department, which should be the Education Department. The Union Ministry of Education has formulated a scheme for extending social education to cities. Under the scheme, *co-ordinating* councils of social education will be set up by each State Government, directly or

through the university or municipal body, for selected cities. These councils will also provide expert guidance and literature, maintain liaison with each other, and encourage and assist individuals in their contribution to social education. As regards the usefulness of social education, two different and somewhat opposing points of view were expressed at the National Subject-Matter Seminar organised by the Ministry of Community Development in January last. One school felt that social education organisers by trying to impose urban ideas on tribal populations contaminated and destroyed the highly rich tribal culture. Others contended that the purpose of social education was not to graft one culture on another but to create in the tribal people an urge to attain a better and richer life according to their native genius.

A 'pilot' examination unit is being set up at the Centre to conduct experiments in the reform of the present examination system. The objects of these experiments will be (i) to identify and clarify the purposes, and gradually improve the effectiveness of the teaching of the various school subjects; (ii) to suggest adequate learning experiences for different purposes; and (iii) to improve evaluation tools. A team of 10 Evaluation Officers has been deputed for the study of the American examination systems to the Chicago University, for a period of six months.

The State Governments of *Madhya Pradesh* and *Madras* have adopted Hindi and Tamil respectively as the official language. The *Madhya Pradesh* Government has also set up an advisory board on basic education to advise the Government on the conversion of existing primary schools into basic schools, the opening of new primary schools on basic pattern, and training and orientation of teachers in the ideology and methods of basic education. In *Bombay* the State Government has appointed two committees to examine the present position in regard to pre-primary, primary and basic and secondary education in different regions of the state and to advise the Government on the evolution of an integrated but flexible system of education. The Government of *Kerala* has reorganised the Education Department, keeping in view considerations of co-ordination and decentralisation in its working. Under the reorganised set-up, there will be an additional Director of Public Instruction responsible for the efficient administration of primary education, and three directorates, one each for text books and examinations, college education, and technical education.

VII. State Enterprises

Attention has been increasingly focussed recently on problems of top-management in state enterprises. The Seminar, convened by the Institute on December 20-21 on "Administrative Problems of State Enterprises", recommended *inter alia* that the Boards of Directors should be given a large measure of *de facto* freedom in the management of the enterprise; the Management, through the Managing Director, should have the privilege of direct approach to the Minister in the administrative Ministry; and also that any Financial Adviser on the staff of the enterprise should not be permitted to "jump" the Managing Director, who should be the channel of answerability to the Board of Directors and to Government.

The need for a scientifically sound relationship between the Head of the enterprise and the Minister in charge was further lime-lighted by the report of the Chagla Enquiry Commission. In this respect, Justice Chagla

has enunciated the following basic principles : (1) "Government should not interfere with the working of autonomous statutory corporations; that if they wish to interfere they should not shirk the responsibility of giving directions in writing." (2) "If the executive officers of the corporation are to be appointed from the civil services, it should be impressed upon them that they owe a duty and loyalty to the corporation and that they should not permit themselves to be influenced by senior officials of Government or surrender their judgment to them. If they feel that they are bound to obey the orders of these officials, they must insist on these orders being in writing." (3) "The Minister must take full responsibility for the acts of his subordinates. He cannot be permitted to say that his subordinates did not reflect his policy or acted contrary to his wishes or directions." (4) "In a Parliamentary form of Government, Parliament must be taken into confidence by the Ministers at the earliest stage and all relevant facts and materials must be placed before it. This would avoid difficulties and embarrassment being caused at a later stage when Parliament gets the necessary information from other sources."

The recent policy of the Government, as mentioned in the last issue, seems to be in favour of appointing non-officials as Chairmen of the Boards of Directors.

In the field of transport, the Government of India has set up the Inter-State Transport Commission for purposes of developing, co-ordinating and regulating the operation of transport vehicles in respect of any area or route common to two or more states.

To formulate and co-ordinate the policy regarding adjudication of labour disputes in the public sector (excluding employees not covered by the Industrial Disputes Act), the Government of India has constituted an Inter-departmental Standing Committee. Apart from the Union Ministry of Labour and Employment, the Ministries represented on the Standing Committee are Finance, Defence, Railways, Transport and Communications, Steel, Mines and Fuel, Commerce and Industry, and Home.

NEWS FROM ABROAD

CANADA

A Pay Research Bureau

The Civil Service Commission of Canada has established a Bureau of Pay Research to provide objective information on pay and working conditions in Government, business, and industry, and to assemble and analyse factual evidence of trends in outside employment. Information upon which the Commission's salary recommendations are based will be centralised in the new Bureau.

FRANCE

Rise in the Civil Servants' Salaries

The French Cabinet has agreed to grant to civil servants a series of increases in 1958—partly in the form of housing facilities and partly in the form of salary increases—which will bring their minimum salary from its present level of 200,000 francs to 220,000 francs a year. The new increases will benefit particularly the lower-grade workers and will cost the Government 74,000 million francs.

NEPAL

A U.N. Public Personnel Administration Expert

The U.N.T.A.A. has loaned to the Government of Nepal the services of *Mr. Walter Fischer*, an Austrian national, for one year to advise it in the field of personnel administration, in particular in developing a programme for in-service training.

Planning Board

The Government of Nepal has set up a high powered Planning Board under the chairmanship of *Prince Himalaya Bir Bikram Shah Dev*. The Board will advise the Government on the framing of schemes and plans aimed at raising the standard of living of the people.

PAKISTAN

Training of Civil Servants in United States

Under a contract with the International Co-operation Administration, the University of South California will shortly commence a special course for training a batch of 15 to 20 higher civil servants from Pakistan in U.S. methods and techniques of public administration. The purpose is to prepare the trainees for assuming higher administrative responsibilities on return to their country.

SOUTH VIETNAM

Reorganisation of Administration

The President of South Vietnam has appointed an 8-member Commission under the chairmanship of *Mr. Nguyen-Thanh-Cung*, Secretary of State to the Presidency, to make recommendations on the reorganisation of the system of public administration in the country.

UNITED KINGDOM

Unattractive Grading in the Hospital Service

Sir Noel Hall, in his report recently submitted to the U.K. Minister of Health, suggests a reduction in the number of grades of the hospital service to raise the entry-levels of remunerations. His recommendations include the abolition of the existing "lettered" grades and their replacement by a general clerical grade together with a supervising clerical grade, separate grades for both shorthand typists and machine operators, with provision for specialist supervision, and three administrative grades. Recommendations have also been made on promotion procedures and training and for the delegation of specific responsibilities to the hospital secretary.

Higher Salaries for Members of the Boards of the State Enterprises

Her Majesty's Government has announced higher scales of pay for members of the nationalised boards "of a commercial character". The maximum salary of the chairman of a major board has been raised from £8,500 to 10,000 and of a board member from £5,000 to £6,500. There are now six chairmen drawing £10,000 a year. This adjustment of the salaries of the boards of nationalised industries has been decided upon by the British Government after making a comparison between the rewards offered at the top in the private industry and in public boards.

UNITED NATIONS

Seminar on Human Rights Under Criminal Law and Procedure

A Seminar on "Protection of Human Rights under Criminal Law and Procedure" was held under the auspices of the United Nations at Baguio (Philippines) from February 17 to March 1. It was attended by representatives from 19 countries of South-East and Pacific Asia and from certain specialised agencies and non-governmental organisations. The main topics discussed at the Seminar were : rights and safeguards protecting the individual against arbitrary or illegal arrest and detention without trial; conditional release prior to and during trial; confessions and admissions—safeguards, administrative and judicial, against improper methods of investigation and inquiry; avoidance of delay in bringing the accused to trial and in concluding trial and appellate processes; the right of the individual to assistance, at the time of trial and at any preliminary proceedings, in matters of legal advice and representation, proof of guilt, and language difficulties; public trial and exceptions thereto; protection of accused persons against trial *in absentia*.

Expanded Programme of Technical Assistance

The United Nations General Assembly unanimously adopted a resolution, on December 14, establishing a Special Projects Fund for expanding technical activities of the United Nations and the specialised agencies. The Fund is separate from existing financial resources for technical assistance, and will provide "systematic and sustained assistance in the fields essential to the integrated technical, economic and social development of the less developed countries". The operation of the Special Fund would be directed in the immediate future towards "enlarging the scope of the United Nations programmes of technical assistance so as to include special projects in certain basic fields" to be defined by a 16-member Preparatory Committee which also includes India. The resolution provides that whenever financial resources available to the Fund are considered sufficient, the Assembly may take action to apply a portion of it to capital development projects in less developed areas.

UNITED STATES

Pay Increases in Federal Employment

Pay raises totalling \$25 million annually for 48,000 of the U.S. government's physical scientists and engineers were approved early in December by the Civil Service Commission, as a move to hold and attract critically needed personnel. The increases, ranging from \$135 to \$1,080 went into effect before the end of the year 1957. Of the people affected, 75 per cent are employed by the Department of Defence. The Civil Service Commission has approved a new "direct action" plan to recruit scientists, engineers, and other persons with scarce skills, which will permit recruiters to hire college graduates for specific jobs, and to set starting employment dates, rather than waiting for appointment following examination. Testing and the clearance process are to be streamlined.

U.S.S.R.

Reconstitution of Armaments Ministries

Following the decentralisation of its industrial administration, the Soviet Union has re-organised its four main armaments ministries, viz. aviation, defence, radio techniques and ship-building industries, into state committees subordinate to the Soviet Council of Ministers. The pattern which emerges is that men of very high administrative ability in the technical field are being freed from day-to-day administrative responsibilities to devote themselves to shaping the future of Soviet technical progress.

INSTITUTE NEWS

A U.N. Assignment for Shri Bapat

The Institute will be losing its Honorary Treasurer and Editor of the *I.J.P.A.*, Shri S.B. Bapat, I.C.S. Shri Bapat is proceeding early in May to the United States to take up his new assignment as Director of the Public Administration Division in the United Nations Technical Assistance Administration. Shri Bapat is one of the founders of the Institute, a senior administrator, and till recently Director of O.& M. Division, Cabinet Secretariat, and also of Administrative Vigilance Division, Ministry of Home Affairs. Many of the important civil service reforms of the recent years bear his imprint.

Fellowships

Under the Institute's Fellowships programme, a group of two University teachers was selected in 1955, for study and observation of advanced administrative techniques and practices followed in foreign countries, but they could not proceed abroad due to placement difficulties. One of these university teachers, *Dr. R.B. Das* of Lucknow University, left for the United States on February 5. Dr. Das has been placed at the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University. The other is expected to follow him in July next.

The second part of the Fellowships programme relates to mutual interchange of university teachers and government servants. The scheme provides for selection of 2 to 4 university teachers for attachment to Government departments and for the deputation of the same member of Government officers to universities for periods ranging between 3 and 6 months.

The School of Public Administration

Arrangements for recruiting suitable teaching personnel for the School of Public Administration have made further progress. *Dr. A. Avasthi* and *Dr. V. Jagannadham* have already joined the Institute as Assistant Professors of Public Administration and Sociology, respectively. Recruitment of other teaching personnel is in hand. It is proposed to send the instructing staff abroad for a short period to study the teaching of, and recent developments in, their respective subjects in the U.S.A., the U.K. and other advanced countries. The School is expected to start functioning by October 1958 when the Institute's buildings will be ready for occupation.

Research Projects

The Transport Study Group has, in co-operation with the Central O & M Division, started a survey of the modes of transport used and the distance travelled by the Class II and Class III Central Government employees in journeys to and from offices.

At the instance of the Public Accounts Committee of the Parliament, the Institute has undertaken a study of the resources and personnel employed on development and non-development activities in the Alipur Development Block.

Seminars

Two 'technical' Seminars were convened by the Institute to prepare the ground for the Members' Second Annual Conference to be held on April 5. The first Seminar on "Administrative Problems of State Enterprises" met at New Delhi on December 20-21, 1957. It was attended by 25 delegates drawn from public and private enterprises, central and state governments and universities.

The second Seminar on "The Pattern of Rural Government (from the Village to the District Level)" was held on February 15-16; 24 delegates drawn from central and state governments, local bodies, universities and public life, participated.

Lectures

The following lectures were delivered under the auspices of the Institute during December 1957—March 1958 :

- | | | |
|-------------|---|---|
| December 5 | <i>The Rt. Hon. Patrick Gordon Walker, M.P., formerly Secretary for Commonwealth Relations, Great Britain.</i> | "Individual Liberty and Socialist Administration"
(Chairman : Shri Justice S.K. Das) |
| December 10 | <i>Mr. Douglas Houghton, M.P., Chairman, Staff Side, Civil Service National Whitley Council, Great Britain.</i> | "Whitley Councils in the British Civil Service"
(Chairman : Shri B. Shiva Rao) |
| January 13 | <i>Dr. H. R. Tinker of the School of Oriental and African Studies, University of London.</i> | "Conventions in English Local Government"
(Chairman : Shri A.D. Pandit, I.C.S.) |
| March 7 | <i>Shri C. S. Venkatachar, I.C.S., formerly Secretary, Ministry of States.</i> | "Administrative Expansion and Integration of the Princely States" (Chairman : Shri V.T. Krishnamachari) |
| March 17 | <i>Shri L. K. Jha, I.C.S., Special Secretary, Ministry of Commerce & Industry.</i> | "Government and Industry"
(Chairman : Shri Morarji Desai) |

Group Discussions

The Public Administration Study Circle of the Institute held two meetings during the quarter. On November 23, it discussed a working paper on "Structure of Metropolitan Government—A Comparative Study".

On January 24 *Dr. C.A.O. Van Nieuwenhuyze*, Academic Secretary, Institute of Social Studies, The Hague, spoke on the teaching of Social Sciences at the Netherlands Institute of Social Studies and its role in the integration of the study of social sciences.

Mr. Walter P. Hedden, formerly Director, New York Port Authority, and Transportation Consultant to the World Bank and the Governments of Turkey and Liberia, initiated a group discussion on "Metropolitan Traffic Problems" on January 31.

Prof. Norman Hunt, Professor of Organisation of Industry and Commerce at the University of Edinburgh, met on February 14, a selected gathering of high level Central Government Officers and others, for a discussion of the pattern and practices obtaining in the United Kingdom in the field of Industrial Organisation and Management.

Prof. Walter Gellhorn, Professor of Law, Columbia University, initiated on February 20, a group discussion on "Some Aspects of Comparative Administrative Procedures" before a select gathering, which included Supreme Court judges and senior civil servants.

I.I.A.S. Round Table, Liege, 1958

The Institute has decided to send a 3-man delegation to the I.I.A.S. Round Table to be held at Liege, Belgium, from June 27 to July 3. The agenda for the Round Table will be : (1) Devolution of Powers to Autonomous Institutions; (2) Automation and the relevant Problems in Public Administrative Agencies; and (3) Hearing and Consultation Procedure in Public Administration.

Local Branches

A local branch of the Institute was inaugurated at Patna on January 18; another at Lucknow on February 4. This brings the total number of local branches to 5.

Indian Historical Records Commission, Research and Publication Committee

The Government of India has appointed *Prof. V.K.N. Menon* as one of the members of the Research and Publication Committee of the Indian Historical Records Commission which has recently been reconstituted.

DIGEST OF REPORTS

ESTIMATES COMMITTEE, 4th Report (Ministry of Education and Scientific Research-Elementary Education). *New Delhi, Lok Sabha Secretariat, 1958, iii, 89p. Rs. 1.20.*

The main recommendations of the Committee briefly are as follows :

I. Pre-Primary Education

1. In view of the absence of an all-India policy in the field of pre-primary education, some flexible "guiding principles" should be worked out in consultation with the best educationists and psychologists in the country and these should be brought to the notice of the Departments of Education in the States for guiding the work of the various educational institutions. The National Committee on early childhood education may be revived by reconstituting it, if necessary. There should be insistence upon reasonably uniform standards in matters of educational abilities of teachers, their training, methods of teaching and proper school environment.

2. In co-operation with the State Governments, the Ministry of Education should take steps to increase the number of institutions for training of teachers for pre-primary schools. The Ministry should also devise ways and means to encourage cheaper schools for the children of poor people who cannot afford to send their children to costly pre-primary schools. As it would be preferable to have women teachers for child education, Government should encourage women with requisite qualifications to enter into the field of pre-primary education, offer them stipends during the course of their training, and give them special service amenities especially in rural areas.

3. All central grants to voluntary institutions in the field of pre-primary, primary and basic education, should generally be through State Governments except in cases of institutions of an all-India character. Separate amounts should be properly earmarked for pre-primary, primary, basic and social education, etc., and under each such head separate allocation should be made for important sub-heads like teachers' training, buildings, equipment, books for library, etc., with certain latitude for re-appropriation between the different sub-heads.

II. Primary Education

1. The results of the all-India Educational Survey should be published early in the form of a brochure and placed on the Table of the House.

2. The Ministry of Education should take more interest to persuade the State Governments to implement the recommendations made in Kher Committee's Report as early as possible so that some uniformity in the administration of primary education in different states is achieved in the interest of its expansion and improvement.

3. Without checking the pace of expansion in the field of elementary education, the Ministry of Education should pay more attention to the

qualitative improvement and for that purpose local resources in the villages and towns should be mobilised and encouraged by way of inviting the local people to share the expenses of primary schools, for furnishing them properly and adequately.

4. The Ministry of Education should invite the Members of Parliament of the State, which fails to fully utilise the grants or implement a particular scheme in the field of education, to a conference to discuss the difficulties and handicaps of their State.

5. All the States have not been able to take advantage of the scheme of Central assistance for increasing the salary of primary school teachers; the Ministry of Education should persuade the remaining State Governments to take advantage of this scheme in the interest of an over-all uniformity. The question might be discussed with advantage at the Education Ministers' Conference especially in view of the prevailing dissatisfaction among the teachers, reflecting in the falling standard of education.

6. The State Governments should be requested to review the position of the teachers under the control of local boards, who suffer from certain handicaps like non-payment of salary in time, utilisation for purposes other than educational, transfers on grounds not considered reasonable, and if necessary, exercise more direct control on general administration of primary education with a view to eliminating the existing evils.

7. The proposals of giving additional amenities to the primary school teachers by way of free medical attendance, free housing and free education to their children up to the secondary stage, should be favourably considered and decisions arrived at expeditiously. Further, the possibilities of insurance of teachers at concessional rates of premia should also be explored with the Life Insurance Corporation.

8. There should be more effective co-ordination between the Union Ministry of Education and the State Governments and both sides should understand each other more correctly and appreciate the difficulties in the way of each so that the existing feeling in the States, that the Centre is trying to centralise all authority even in the domain which really belongs to the States, is removed. The schemes in the field of education should be more freely discussed between the Centre and the States, and the Centre should liberally release the money according to a settled policy to enable the States to carry on the development work.

III. Basic Education

1. The number of Basic training colleges and schools should be increased to supply the required number of teaching personnel. The duration and standard of training should be raised so that teaching personnel coming out of the training colleges and schools are well equipped for the job required of them.

2. The Union Government should insist that any financial aid given by it directly or indirectly to improve or spread Elementary Education is strictly earmarked by the States for Basic Education *i.e.*, Basic Schools and Basic Training Schools.

3. Systematic comparative study of the achievements of pupils in Basic and non-Basic schools would be useful and might be undertaken with advantage by the National Institute of Basic Education. The steps

proposed to raise the standard of Basic Education should be expedited so that the existing misgivings in the mind of the public are removed as early as possible and Basic Education is put on sound lines throughout the country.

4. The Committee is entirely in agreement with the views of the Assessment Committee on Basic Education in respect of Post-Basic Education that : (a) the whole question of Post-Basic Schools should be fully discussed and there should be some clear declaration of policy in regard to the same; (b) the pupils passing out of Senior Basic Schools who wish to join secondary schools other than Post-Basic schools should be permitted to do so; and (c) the pupils passing out of Post-Basic Schools should be permitted to join in appropriate courses of studies in the Universities. The Committee further recommends that the clear and unambiguous enunciation of policy on these lines and issue of suitable instructions by the various authorities concerned should be expedited.

5. The National Institute of Basic Education should undertake, without any loss of time, the training of basic education workers at the higher level (*i.e.* inspectors, administrators, supervisors etc.) to enable them to properly appreciate the problems in the field of Basic Education.

6. It would be advantageous to associate the officials of the State Governments more closely with the National Institute of Basic Education. Those officially connected with Basic Education and teachers from post-graduate training colleges can work in the Institute for a limited period on problems faced by them taking the help of research workers in the Institute. This would increase the co-ordination between the agencies and the Institute.

7. The Union Ministry of Education should take all necessary steps to ensure that the selection of crafts in basic schools is done carefully and that the teaching is scientifically correlated with craft and not done mechanically as is reported to be the case in a number of Basic Schools in the country at present.

8. State Governments should be persuaded to take more interest by either purchasing products of basic schools or by arranging their disposal through State emporia, bhandars, etc. and by enlisting the help of Khadi and Village Industries Boards in that respect.

9. In the traditional type of training colleges for graduates, training in techniques of basic methods of teaching should be made compulsory instead of optional (as it is in the Central Institute of Education) so that teachers coming out of these colleges have the necessary background in the basic methods of teaching. More women teachers should be encouraged for training, especially for elementary schools; and the schemes for encouraging the training of women teachers should be pushed through with vigour in all the States without further delay.

10. A Training Institute for Basic teachers must have a practising school on basic lines; otherwise the trainees can not derive full advantage of the training and have to go to an outside basic school.

IV. Elementary Education as a Whole

1. A perspective plan for introduction of free and compulsory elementary education for children up to the age of 14 years in the country may be evolved by the All India Council for Elementary Education with a

phased programme for the whole country to be implemented within a specified period with due regard to the financial resources, the existing conditions and the recommendations of the various Committees which have already given thought to the problem. Full advantage should be taken of the private initiative by removing all impediments in the way of development of the voluntary institutions in the field of primary education.

2. Since it is not now possible to achieve the target laid down in Article 45 of the Constitution, of providing free and compulsory education to the children up to the age of 14 years, it is necessary that the position is carefully reviewed at the highest level and a revised time limit set up so that the Planning Commission may know without ambiguity as to what financial provision will be necessary on this account during the subsequent Five Year Plans. The Plan provision for Education should not be reduced on grounds of economy.

3. Education in the Union territories is the direct responsibility of the Centre. The Ministry of Education should seriously endeavour to fulfil the provision of Article 45 of the Constitution at least in the Union territories to serve as an example to the State Governments. It would be desirable to earmark the amount of about Rs. 3.5 crores during the Second Plan and Rs. 6.8 crores during the Third Plan for introducing compulsory education for the age-group 6 to 14 years in Union territories.

4. The Ministry of Education should also give financial assistance to the State Governments for schemes of medical inspection of school-going children, which all States should be persuaded to have.

5. It would be advantageous to set a time limit for the preparation and introduction of schemes for imparting universal compulsory education entrusted to the All India Council for Elementary Education.

6. The task of preparing model text books should be taken up by the Central Bureau of Text Book Research forthwith. The Ministry of Education should review, in consultation with the State Governments the Compulsory Education Acts of the States to remove the existing defects and to bring a reasonable degree of uniformity.

V. Some Organisational Matters

1. Referring to the Government resolution relating to the establishment of the All India Council for Elementary Education with the Educational Adviser to the Government of India and the Head of the Basic and Social Education Division of the Ministry of Education as Chairman and Secretary of the Council, respectively, the Committee does not favour the policy of intimately involving the Ministry with the management of such bodies. There should be some machinery on the lines of the University Grants Commission, which may be statutory, autonomous or semi-autonomous and should be supplied with ample funds as well as sufficient authority to carry on the work in its sphere in consultation with the State Governments.

2. There has been a marked tendency in recent years of each Ministry taking to itself more and more of administrative and executive work which really does not fit in with the original conception of a Secretariat organisation for dealing with policy matters as distinct from day-to-day administration and executive functions. The Ministry should gradually hand over such institutions to other agencies created for that purpose. In this way the Ministry may continue to have general over-all control so far as policy is concerned; it should not involve itself directly in the administrative and executive functions.

BOOK REVIEWS

THE STUDY OF COMPARATIVE GOVERNMENT AND POLITICS; By GUNNER HECKSCHER. London, George Allen and Unwin, 1957, 172p. 18s.

The use of the comparative method in the study and teaching of government and politics, as old as Aristotle and still largely current, has recently been the subject of much discussion, and the book under notice is a good survey of the problem in all its aspects. It was discussed, in particular, at a conference of American political scientists at Evanston in 1952, (a report of this conference appeared in 1953 in the *American Political Science Review*), and more recently by the International Political Science Association at its Round Table in Florence in 1954. This book by the Professor of Political Science at Stockholm, who was the *rapporteur-general* at the Florence meeting is a report, and more than a report, of the discussions at the Round Table. It is more than a report because, as Professor W.A. Robson points out in his preface to the Volume, it is the first systematic exploration of the methodological problems involved.

There can be no doubt that Professor Heckscher has surveyed the problem in all its aspects. In the first part of the study he discusses methodological problems like classification, terminology and the configurative approach; and in the second he examines the application of the method to different fields like electoral system, parliaments, parties, nationalised industries and revolutions. But the conclusions he comes to cannot themselves be called revolutionary. Are the results of the comparative method really worth while? The conclusion is that it all depends on the point of view. Causality is not the same thing in the social as in the exact mathematical sciences. (How far are these themselves exactly exact?). Approximate results have their value. And even if we cannot as yet expect to establish a general theory we may be building parts of one in the form of partial problems at least limiting the number of alternative possibilities. Anyway, in the last resort, comparison, however inconclusive, helps us to refine our instruments of description and to understand each particular case better as we are comparing it with others.

Sometimes Professor Heckscher reminds one of a hippopotamus picking up a pea. The book is a useful and comprehensive discussion of a subject which, however, cannot be described as new or very important.

—V.K.N. Menon

PARTY POLITICS IN INDIA; By MYRON WEINER. Bombay, Oxford University Press, 1957. xiii, 319p. Rs. 20.

This book does not attempt to present a comprehensive account of party politics in India. Its aim is the modest one of probing into the development of some of the parties which are active in Indian politics at the present day. Both the Congress and the Communist parties fall outside the purview of this volume except to the extent to which they impinge on

the formation and working of the parties studied here. While methodologically there can be no objection to the pursuit of the 'case-studies' of political parties on such a restricted scale, one inevitable result of such a treatment is to give a rather unreal picture of the party situation in India. The ambitious title of the book contributes to the same result by raising expectations of a more balanced picture of the political scene than can be gleaned from these case-studies.

Within the self-imposed limits of his study, however, Mr. Weiner does well in putting together an informative account of the splits and mergers amongst the parties of the left and the right. Much of the material presented by him is gathered in personal interviews with the leaders and members of the various parties and groups. Yet the book is singularly free from the exaggeration of the personal viewpoint into the manifestation of fundamental principle, thanks to the undoubtedly high critical ability of Mr. Weiner. This is indeed why the book will rank as a valuable contribution to the understanding of the politics of the non-Communist opposition parties in India.

Where Mr. Weiner moves from description to reflection questions will, no doubt, be asked of him. Thus, interesting though his views on the relative roles of leaders and rank-and-files faced with the prospect of splits or mergers may be, one has the feeling that perhaps he has oversimplified the case by failing to give enough credit to the largely informal processes of communication between leaders and followers. But this is still an unexplored area of study and one must not be in a hurry to reject Mr. Weiner's conclusions either. On another point where Mr. Weiner tries to show that the electoral system in India has not affected the party system in a major way, one would appear to be on surer ground in questioning him. Between the two general elections, it is well-known, not only that the number of recognised parties diminished but the practice of forming 'fronts' in opposition to the ruling party reflected a growing acceptance of the two-party situation at any rate for electoral purposes. Incidentally, the statement on page 226 that only members of scheduled castes or tribes may vote for the seats reserved for them is not only incorrect but misses the whole point of the controversy between 'separate electorates' and 'joint electorates with reservation of seats' which raged loud and long during the days of struggle with the British rulers.

Mr. Weiner brings his book to a close with a chapter dealing with the prospects for stable government in India. He comes to the well worn conclusion that stability depends on the agreement of all parties on fundamentals while differing on specific issues. However, this chapter appears to be more in the nature of an *obiter* than a conclusion flowing from evidence marshalled earlier in the book.

—S. V. Kogekar

VILLAGE PANCHAYATS IN INDIA; By H. D. MALAVIYA.
New Delhi, All India Congress Committee, 1956. XLII. XXXIX. 843p.
Rs.12.

"Village Panchayats in India" by H.D. Malaviya wears a robust look and runs into 843 pages of most painstaking writing. The book is foreworded, introduced, prefaced and proemmed by a galaxy of national leaders

which adds political authority to a socio-political study and establishes the resourcefulness of its author. In face of the special importance which is attached to the local self-governing institutions in the new democratic set-up of India, this voluminous work is most timely.

The book is divided into three parts. The first part gives a historical account of the development of village panchayats in this country. The account embodied in this part of the book alone gives much more than the title of the book promises. The author starts from the beginning of human history and narrates the entire story of mankind and of the growth of social organisation. It is in this slow-moving account of history that the author attempts to carry his readers from a stage of total ignorance to one of complete knowledge. After making a good start, he gets entangled in quoting authorities to drive home his point that he himself gets lost in the wood alongwith his readers. The main theme here of the author appears to be that in India a co-operative endeavour in one form or the other always existed in villages and in panchayats, but it disappeared with the advent of the British Rule in India. The author tries to establish it not by a more scientific process of historical analysis but by mere quotations from certain authorities. He talks of community life and of decentralised administration at the village level, but does not care to study these in the context of the closed village economy which then existed and the conditions which had placed severe restrictions on the growth of a monolithic state. An account which either ignores or is complacent about these factors can hardly claim for itself any serious attention. However, to the credit of the author it may be said that though we do not agree with his method of handling history, yet we certainly have to value the clues he has discovered to India's village life. The real value of the book lies in the material which has been made available by the author on everything connected with Indian village life at one place.

The second and indeed quite useful, part of the book is devoted to an assessment of the position of panchayats in the states. For each state, the analysis of the legal position and working of panchayats is preceded by a description of the economic conditions of the villages. The statistical data could, at the end of chapters, very profitably be used to make a comparative study of the institution of panchayats in different parts of the country, and to probe into problems relating to its growth and effectiveness as a popular agency.

And it is to this task that the author applies himself in the third part of the book. "Panchayats problems" according to him "are in fact the problems of our peasant masses and have therefore, to be viewed in their totality. A fairly administrative or a local self-government approach would be perfunctory, would be divorced from reality, would not go at the roots and, therefore, of not much use." With this approach in view, he proceeds to describe the conditions prevalent in the Indian villages and to examine the conflicts which have arisen as a result thereof and suggests remedial measures which would enable the panchayats to play an effective role in the country's march towards socialism. He pleads for speedy legislation for solving the land problems. "Early redistribution of land, fixation of ceilings, land reforms and far-reaching tenurial reforms gain added importance as in the absence of the economic justice, our village panchayats will fail to secure the co-operation of the masses for development

activities." And yet the problems of development call for speedy and quick solutions and it is the panchayats alone which can be the most potent instruments for harnessing the unleashed mass energy and securing community effort which are of special significance in the context of our distressingly meagre resources. The need for building them up is, therefore, obvious and it could be done by orienting the panchayat members and the higher officials in a 'set ideology and philosophy' and by drastically overhauling the administrative machinery so that it may inspire more confidence amongst the people. Towards the end the author also deals with the panchayat functions and finances.

The problems are fairly important and require to be critically treated. But, instead of subjecting them to such a study, the author once again adopts the easy method of proclaiming his individual views as also of some of his favourite leaders and authorities. The material collected is abundant and Shri Malaviya must have taken enormous pains to get at it. He cannot, however, resist the temptation of inserting it in whenever and wherever he can; and the slightest pretext shoots off at a tangent to give a lengthy discourse on subjects which hardly needed more than a bare treatment or a passing reference.

For instance, while trying to underline the vital role which the village panchayat must play in 'India's march to a socialist society', he proceeds to evaluate the nature of Congress socialism and describes at some length the processes of socialist orientation of the nationalist ranks till the formal acceptance by them of the socialist objective at Avadi. Similarly, the importance of radio as a medium for the communication of modern ideas to our villages takes the author on to the 'poverty of our rural programmes', the problems of personnel and the unhappy experiment with 'Producers of the Hindi spoken word' and in the end to the conclusion that 'the least the Government of free India can do is to summarily dismiss such fossilised minds'. Again, pointing to the role of the administrative machinery in building up panchayats he forgets to deal with the main theme, *i.e.*, the organisational structure and arrangements which are needed for nurturing their growth, and runs away with the idea of a new broom which will sweep clean. He plunges into the traditions of the British colonial administration in India and the new tasks of the services after independence only to emerge to see that 'the many officials at the top continue to live in their make-believe world of clubs and all the rest of it, continue to hate the people and the 'mob' rather than love it, pine for the British days gone never to return and on the whole intensely dislike all this democracy and Ministers and all the lot of it'.

If the author had, on the other hand, confined himself to the four walls of the problems and bestowed equal thought and consideration on them, the results would have been different. With all the material at his disposal one would have expected a more thorough treatment of the subjects like the panchayat functions, finances, factors responsible for the ineffectiveness of panchayats, etc., it is a common knowledge that the 'total resources of the panchayats are far from adequate'. It is, however, not enough to suggest that 'any increase coming from the villages *i.e.*, in the land revenue income should, in all fairness, go back to the villages through the village panchayats. These institutions cannot subsist on grants alone and if they have to grow to their full stature, they must, to the extent possible, develop their resources—

both tax and non-tax. There is, however, hardly any attempt to comprehensively deal with this aspect. The author takes considerable pains to explain that the allocation of functions of panchayats should be on the basis of what is desirable and not on the basis of what is possible and that "all tendencies to curb them should be avoided; but when he proceeds to discuss them, he chooses to make mention of only 'village sanitation' and the 'revenue functions'. He blames the officials for being unhelpful to the panchayats and 'for regarding their developments as being tantamount to a curb on their authority', yet he fails to take cognizance of the fact that the factors which have contributed to their ineffectiveness are many—not the least amongst them being (i) the lack of proper leadership and (ii) apathy on the part of some leaders to assist the panchayats in the process of their growth as they see in it the danger to their present political influence.

The book is crammed with a mass of useful material and many valuable ideas and suggestions. There are, however, many loose ends hanging all over. The treatment is perfunctory and the arrangement lopsided. With a little more care and probe, chiselling and craftsmanship, the book would have become an excellent treatise on the subject; but even as it is, it serves to acquaint the reader with the many intricate and complex problems of the development of panchayats and with some of their solutions.

—S. L. Khurana

CONSTITUTIONAL DEVELOPMENTS IN INDIA; By CHARLES HENRY ALEXANDROWICZ. *Bombay, Oxford University Press, 1957, 255p. Rs. 12.*

It is said that a constitution, when written, does not breathe. It gets life and begins to grow only when human elements gather and work it. As time passes by, imperceptibly, it assumes a new shape and even a new meaning. The significance of a constitution in the final analysis depends on how faithfully it is executed by those who are in charge of it and also how skillfully and smoothly it is adapted to suit the changing conditions and circumstances of a dynamic society. Of all the different instruments that help this process of adaptation, constitutional conventions and judicial review are perhaps the most suitable and, therefore, the most important. To what extent have these been really effective in the adaptation and growth of the Indian Constitution during the last seven years is the subject of enquiry by Prof. Alexandrowicz in his recent work "Constitutional Developments in India."

Prof. Alexandrowicz is eminently qualified for this task both as a lawyer and as a law-teacher. He was barrister-at-law of the Lincoln's Inn and is at present professor of International and Constitutional Law at the University of Madras. But more than this, he has brought to bear on this subject an unprejudiced mind, penetrating research and a sympathetic understanding of the conditions under which the Constitution was drafted and adopted, and has been working ever since. In this respect, he stands in striking contrast to most of the constitutional experts from Britain who attempted to write on the Constitution of India, but who could not and did not appreciate many of its provisions.* Further Prof. Alexandrowicz's

*For example, to Ivor Jennings the Constitution is inflexible and outmoded in many of its parts, to K.C. Wheare it is not federal but only 'quasi-federal' and according to the Allen Gledhill, the President of India can be a dictator.

work, for the first time, breaks new ground in constitutional writing in India by providing an analytical and critical examination of the processes that have been affecting constitutional developments in India since 1950.

The entire theme of the book is built upon the premise that problems of constitution-making and the issues arising in the course of constitutional practice are intimately interwoven. Therefore, any discussion on constitutional developments should be related to circumstances under which the different provisions of the Constitution were conceived as well as the conditions under which they were applied in practice.

There are four important areas in the constitutional law of India to which the author pays special attention for the purpose of such analysis and which form the bulk of the contents of the book. These are : (1) the role that is played by conventional rules in the operation of a real parliamentary and cabinet system of government in India, (2) the nature and the scope of judicial review, (3) the problems which confronted the Constituent Assembly in the formulation of provisions concerning personal liberty and other fundamental rights and how these issues have reappeared after 1950 in judicial cases or administrative practices, and (4) the issue of centralization versus decentralization of Indian federalism in the light of the demand of a highly heterogeneous society. In addition, he has also dealt with, though not in detail, subjects such as "Separation of powers and delegation of legislative power", elections, freedom of trade and directive principles.

A superficial understanding arising out of the extraordinary length and the multiplicity of details in the Constitution—395 articles and 9 schedules—might give one the impression that provision has been made in the Constitution to settle every imaginable problem of government. But this by no means is the case. Let us take the most striking example, the provision by which the executive power of the Union is vested in the President who is aided and advised by a Council of Ministers. Those who adhere to an ultra-literal interpretation of the Constitution, who care not to go into, in addition to the provisions of the Constitution, the discussions in the Constituent Assembly, the background of the Constitution and the constitutional practices which have been growing fast during the last few years, may still argue that the President, if he cares, can very well be a real and not a constitutional or nominal head of the State.* The fallacy of the argument will become clear only when we realise that the principles of parliamentary or cabinet system of government have not been in their entirety incorporated in the Constitution. The fact is that they are only partially incorporated. A number of them are left to conventions.

While interpreting the Constitution, is it necessary or advisable for the courts to follow strictly the British practice of construction of legal documents including Parliamentary enactments? According to British practice, the course which a bill followed in the Legislature cannot be admitted to control the construction of the Act and the intention of the law-makers has to be ascertained from the words of the enactment. A strict adherence to this rule means that the debates in the Constituent Assembly are wholly inadmissible for the interpretation of the Constitution. The courts in India, particularly the Supreme Court, in the opinion of the author,

*See Allen Glendhill ; "The Republic of India", 1951, p. 108.

have neither followed an approach to this question nor adopted an attitude which is consistent. In support of this contention he cites the decisions of the Courts in two important cases. In Gopalan's case¹ a majority of the judges made use of the preparatory work of the Constituent Assembly to clarify the meaning of Article 21 dealing with personal liberty to dismiss a *habeas corpus* petition. But when the Court was called upon to interpret Article 31(2) in the State of West Bengal Vs. Mrs. Banerjee² it refused to recognise the debates in the Constituent Assembly for the purpose of interpretation. Legitimately, therefore, the author asks the question: "If in the view of the judges the term 'Compensation' was clear to the extent of not calling for resort to the equally clear, but different intentions of the Constituent Assembly, why have the majority of the judges in Gopalan's case referred to the Report of the Drafting Committee and the debates to show that what was not to be found in Article 21 (personal liberty) was previously added? The text of Articles 21 and 31(2) could have been considered equally clear or equally ambiguous. If the first was the case, there was no need to refer to preparatory work of the Assembly in either of the two decisions. If, on the other hand, the latter was the case, reference to it was equally admissible in both decisions. Either one or the other solution could be adopted, but one of them must be accepted for both and indeed for all types of cases. Our plea is for uniformity in principles of interpretation of the Constitution."³

In support of his contention the author refers, in this connection, to the practice in the United States. Instances abound in the reports of the U.S. Supreme Court where for many years after the implementation of the Constitution, the judges were striving to find the original intention of the framers in order to interpret the constitution in that light. If the United States judges do not resort to that practice today, it is largely because the intentions of the framers have been so fully exploited for over 160 years that very little new and reliable interpretation is forthcoming. Moreover, the original constitution has been so much modified by 'later framers', particularly by judicial interpretations, that there is little significance today in going into that, while deciding new cases. But this is not the case in India. Here is a new constitution. The Draft which was placed before the Constituent Assembly had undergone substantial modifications and alterations in a period of two years at the end of which the Constitution was finally adopted. Everyone of the articles was discussed at length and every change was considered in detail and arguments for and against were advanced. Naturally, for any body which is charged with the responsibility of interpreting the Constitution cannot afford to ignore the debates in the Assembly. For, it is these debates which can throw the maximum light on every complex provision of the Constitution that calls for interpretation.

In spite of the weighty arguments of the author in support of his condemnation of the interpretational inconsistencies of the Supreme Court, one is inclined to point out in support of the Court's stand that the problem is not so simple to deal with as he apparently appears to imagine it to be. This can be seen from the statements of Dr. Ambedkar himself who made a revelation in Parliament when the Fourth Amendment Bill was being dis-

1. 1950 SCJ 174.

2. 1954 SCJ p, 170.

3. Page 14.

cussed. He said that one of the articles that experienced the greatest difficulty to get into final shape in the Constituent Assembly was that which dealt with right to property as a fundamental right. Neither in the ruling Party, the Indian National Congress, nor in the Cabinet, was there any unanimity on this matter. Opinion was sharply divided into two or three groups, an extreme left which favoured nationalisation even without compensation, an extreme right which favoured nationalisation with full compensation and a middle group which represented a more moderate yet progressive attitude. These conflicting attitudes to this complex problem were reflected in the debates of the Assembly also. If Article 31 in its original form lacked precision, it is to be accounted for the lack of crystallisation of the ideas connected with the proposition itself. Under these circumstances the Supreme Court might not have enlightened itself any better by going through the Constituent Assembly discussions. It was on surer ground by adopting a literal interpretation of the provision even if it did not thereby please the prevailing mood of the government.

It is useful to remember in this connection that, in spite of the Fourth Amendment, issues related to nationalisation and compensation have not yet received a final shape in the policy decisions of the government. At any rate, the fact remains that the discussions in the Constituent Assembly do not give a decisive picture on this complicated matter. That certainly is not the case with respect to the discussions pertaining to personal liberty. There the picture is abundantly clear. Naturally it was wise on the part of the Court if it ignored the Constituent Assembly debates on property rights while referring to them in connection with personal liberty. It seems that the safest and the consistent thing for the Court to do is to look into the debates while it interprets the Constitution but be influenced by them only when the debates give a very clear picture. The Court, being the supreme authority in the field of constitutional interpretation in India, is free to adopt its own rules.

To base the interpretation on the spirit that is supposed to pervade the Constitution was bound to lead the Court sooner or later into serious troubles. The difficulty with 'the spirit of the Constitution' approach is that more often than not it differs from individual to individual according to his own ideas, beliefs and philosophy. To interpret a constitution on such a basis is nothing but an open invitation to trouble. Constitutional interpretation through the process of judicial review in the United States and the history of the U.S. Supreme Court, must have revealed to our Supreme Court the inherent dangers involved in the process. The position in the United States was most beautifully described by Governor Hughes (who later became the Chief Justice): "We are living under a Constitution, but the Constitution is what the judges say it is." There is little scope in India as in the U.S.A. to interpret and reinterpret the Constitution to suit the 'felt necessities of the times' or to pull back the State from the various edges of disaster which it approaches in its preoccupation with the immediate and the inessential.

The author has devoted almost one-half of the book in discussing some of the vital issues relating to Fundamental Rights. Here again, his analysis deals with, on the one hand, the debates in the Constituent Assembly, and, on the other, the issues which have later reappeared in judicial cases or ministerial practices after the enactment of the Constitution. The limitations of personal liberty in a newly created democratic system of government

and the pros and cons of a law of preventive detention that finds a place in the chapter on Fundamental Rights have been subjected to a detailed and balanced discussion. The point has been well brought out that both the judiciary and the legislature are anxious to see an end of the law of preventive detention in India. The important cases that have been decided in interpreting the seven freedoms, such as, freedom of speech, freedom of assembly, freedom of association etc. under Article 19, equality before law and equal protection under Article 14, freedom of religion and the right to property, have also been discussed at length. The importance of Article 32 and 226 under which 'prerogative' writs are issued by the Supreme Court and the High Courts and the excessive demand for these writs by citizens are also dealt with in detail.

The discussion on Indian federalism easily stands out as the best in the whole book. Here is a clear analysis of the concept of federalism in the light of the working of federal government in different parts of the world which leads the author to the conclusion that India is a *real* federation. He analyses at length the point of view of political scientists like Prof. K.C. Wheare* who have been using the term 'quasi-federation' to describe the form of India's Constitution based upon a superficial analysis of the Constitution and a poor understanding of its working. To them it seems that federalism is such a rigid and water-tight concept that it can be applied to governmental organizations like an equation to mathematical problems. Such an approach is highly unrealistic and even artificial. Federalism like democracy is a political principle. Just as democracy has its local variations to suit local conditions and varying circumstances, federalism too has its local variations. An examination of the American, the Swiss and the Canadian federations will clearly show this.

A study of the constitutional practices and relevant test cases after the enactment of the Constitution alone will throw sufficient light on developments in the federal structure of India. The redrawing of the map of India almost exclusively on linguistic lines, the restoration of constitutional government in all the four States, where, under emergency powers, the Union had taken over the administration of the States (Punjab, PEPSU, Andhra and Kerala), as soon as a stable government could be formed, these two significant trends alone will show that it hardly justifies the classification of India as a quasi-federation. A close examination of the legislative and administrative and financial powers of the States and the manner in which they can exercise these powers will show that the Constituent Assembly gave these powers to the States as essential elements of parliamentary and responsible government. The States, as Dr. Ambedkar stated in the Constituent Assembly, are as sovereign in their field, which is left to them by the Constitution, as the Centre in the field which is assigned to it.

The discussion on separation of powers and delegation of legislative power, although it is only an examination of an Advisory Opinion of the Supreme Court under article 143, throws considerable light on the nature and extent of delegation under the Constitution, particularly in contrast with the position either in Britain or the U.S.A. Although India adopted the Parliamentary system, there is no parliamentary supremacy in India. As such, Parliament's authority to delegate legislative power to the Executive is not unlimited. But this does not mean that the scope of delegation in

* K.C. Wheare, *Federal Government* (1951).

India is as narrow as is obtained in America where legislative power cannot be constitutionally delegated by Congress.

On the whole, here is an authoritative study, objective and, at the same time, suggestive of a new approach which deserves to be developed in the field of constitutional writing in India. It is regrettable, however, to point out that a number of names are wrongly spelt in different parts of the book. It is true that to most westerners Indian names are difficult to handle. Perhaps Prof. Alexandrowicz also finds the same difficulty. This is evident from the way in which he has abbreviated a number of well-known Indian names. But the result of this has been rather costly. When names of individuals are quoted, it is necessary to use them in approved forms. There are a number of well-known Indians whose names are popularly written in approved abbreviated form. The only method that will avoid such confusion seems to be to follow the practice adopted in official publications such as Parliamentary debates.

—M. V. Pylee

THE INDIAN FINANCIAL SYSTEM; By O. K. GHOSH. *Allahabad, Kitab Mahal, 1958. 140p. Rs. 5.*

Very few experienced administrators know the byways in the labyrinth of the government's financial system. O. K. Ghosh has not attempted an easy-learn-yourself-guide to this intricate jungle. Nor has he provided a first aid to economy-minded critics to enable them to make immediate suggestions for reducing governmental expenditure and removing inefficiency. The chief merit of this thought-provoking little book is the many suggestions it makes for improving financial administration in India. One may not agree with all the proposals—the present reviewer is violently against some of them; yet the book focusses attention on the sources of trouble spots and challenges the reader to work out his own solutions.

Though the book runs into only 140 pages, the author has drawn extensively on practices in the U.S. and U.K., and to a lesser extent, in Canada, the U.S.S.R. and certain other countries, for describing financial relations between the union and state governments and the budgetary methods and control. He makes a strong plea for attaching economic information organisations to the legislatures. Experts and journalists on the organisation would maintain a close liaison with the press, keep legislatures fully informed of all financial and economic developments.

The Indian Audit and Accounts Department today is responsible both for the compilation of the accounts and their audit. The phased programme of change to a system where the auditor general would be responsible only for audit while the departments would compile their accounts, as favoured by Mr. Ghosh, must tread on many corns both official and non-official. He also wants a system of financial advisers-cum-chief accounts officers, as exist in the big projects; and resident auditors, who have intimate contacts with the departments, to audit expenditure.

Remodelling the budgetary classifications along functional lines and a consequent reduction in the bulk of the budget estimates is touched upon, but one wishes more analysis and thought had been given to this complicated question. The general conclusion that the budget should be made more understandable to the legislators as well as provide great flexibility to the administrators in its execution is sound.

Prime Minister Nehru has called for "scientific evaluation", or an efficiency audit which in U.S.S.R. practice is called "Khozraschyot." It means that instead of the usual financial audit, looking into the regularity, faithfulness and wisdom of expenditure, there should be an assessment of achievement carried out by a team consisting of the representatives of the administrative departments, audit office, and economists, statisticians and management experts. The group would be qualified to judge, especially in the context of the five-year plans, how successfully development activities were being implemented. The system is hard to work and Russian experience is only a broad guide. The problem of judging achievement of plans is one confronting United Nations Technical Assistance Administration which inspite of a good deal of thinking has still not been able to formulate a definite technique. The U.S. foreign aid programmes have similar problems.

The publication of the book has been hurried. There are at least two printer's devils and one major factual inaccuracy. On page 46 a functional budget is stated to be the same as a performance budget. Nor is the statement about the Hoover Commission's recommendation on performance budgeting "not being put into operation anywhere except in the the State of Maryland" correct. The Hoover Commission was only concerned with the federal government and not the state governments. Its recommendation on performance budgeting was implemented in the United States Department of Defence in 1949. The Tennessee Valley Authority, the City of Richmond in Virginia, and the City of Los Angeles, have, to name a few jurisdictions besides Maryland, performance budgeting.

The relevance of chapter 15, "Some Proposals made by Mr. Ashok Chanda, Comptroller & Auditor General of India" to a book on Indian financial administration is questionable because they deal only partially with financial matters. The chapter by far is the strongest and the most well-reasoned part of the book. Very briefly, the author wants to establish all India technical services on the grounds that scientists and technicians, rather than general administrators, should have a more important position in a rapidly industrialising state; that more importance be given to "field" rather than secretariat posts because the reverse procedure now followed is a carry over from the colonial days when the secretariat officers were also the political rulers of the country; that a high powered review of the administrative system on the lines of the Royal Commission enquiries in the United Kingdom be carried out periodically so as to make administration conform to the rapidly changing patterns of social need in an expanding economy. The author is at present Accountant General, Uttar Pradesh; he has to his credit service experience of sixteen years in the Indian Audit and Accounts Department, and of twelve as an Under Secretary and Deputy Secretary in the Union Finance Ministry, the Planning Commission, and the States Reorganisation Commission. He has looked into our financial system from the perspective of executive government and the audit department. The book is a welcome publication in a field where very few Indians address themselves, perhaps because Englishmen never studied the administration from an academic point of view. It should stimulate more practitioners of public administration to write in the special fields of knowledge with which they have particular familiarity.

—Anand K. Srivastava

April-June, 1958

Vol. IV, No. 2

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

(Official Organ of the Indian Institute of Public Administration)

PRINCIPAL CONTENTS

The American Public Executive

Harlan Cleveland

Public Enterprises and Parliamentary Control

Balvantray Mehta

Recent Developments in Management Training

Charles A. Myers

The Problem of Administrative Tribunals

N. K. Bhojwani

The Hindustan Housing Factory

K. S. Krishna Swamy

Work Study in Government Organisations *Indarjit Singh and K. N. Butani*

Issued Quarterly

Single Copy
Rs. 2.50 or 5s.

Annual Subscription
Rs. 10 or £1

INDIAN INSTITUTE OF PUBLIC ADMINISTRATION
Executive Council for 1958-59

President

Shri Jawaharlal Nehru

Chairman : Executive Council

Shri V.T. Krishnamachari

Vice-Presidents

Shri T.T. Krishnamachari	Pandit Govind Ballabh Pant
Pandit H.N. Kunzru	Shri Shri Ram
Dr. G.S. Mahajani	Shri Gurmukh Nihal Singh

Honorary Treasurer

Shri S. Ranganathan

Members of the Executive Council

Shri N.H. Athreya	Shri H.C. Mathur
Shri G.L. Bansal	Prof. M.V. Mathur
Shri C.D. Deshmukh	Shri P.R. Nayak
Shri Din Diyal	Shri A.D. Pandit
Shri N.V. Gadgil	Shri H.M. Patel
Shri Jai Prakash Jain	Dr. K.N.V. Sastri
Shri Humayun Kabir	Shri S.M. Shrinagesh
Prof. D.G. Karve	Prof. N.K. Sidhanta
Prof. S.V. Kogekar	Shri L.P. Singh

Shri M. K. Vellodi

Director

Prof. V. K. N. Menon

INDIAN JOURNAL OF PUBLIC ADMINISTRATION

Editor

Shri L. P. Singh

Editorial Board

Prof. D.G. Karve
Prof. S. V. Kogekar
Prof. V. K. N. Menon

(The views expressed in the signed articles are the personal opinions of the contributors and are in no sense official, nor is the Indian Institute of Public Administration responsible for them.)

OUR CONTRIBUTORS

Mr. Harlan Cleveland : A. B. (Princeton), is Dean, Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, U.S.A.

Shri Balvantray Mehta : M.P., is Chairman of the Estimates Committee, Lok Sabha.

Prof. Charles A. Myers : Ph. D. (Chicago), is Director, Industrial Relations Section, Department of Social Sciences, Massachusetts Institute of Technology, Mass., U.S.A.

Shri N.K. Bhojwani : B.Sc. (Econ.)(Lond.), is Secretary, Department of Parliamentary Affairs, Government of India.

Shri K.S. Krishna Swamy : M.A., B.L., Indian Defence Accounts Service, is Joint Secretary in Ministry of Works, Housing and Supply, Government of India, and Chairman, Hindustan Housing Factory.

Shri Indarjit Singh : I.A. & A.S., is Joint Secretary to the Government of India, Special Reorganisation Unit, Ministry of Finance, and Secretary, Committee on Plan Projects, Planning Commission.

Shri K.N. Butani : is Deputy Secretary to the Government of India, Special Reorganisation Unit, Ministry of Finance.

Prof. D.G. Karve : formerly Director of Programme Evaluation Organisation, Planning Commission, and also Director, Indian Institute of Public Administration, is at present Chairman, Standing Sub-Committee on Co-operative Training, Agricultural Credit Department, Reserve Bank of India.

Shri P.R. Nayak : I.C.S., is Commissioner, Delhi Municipal Corporation.

Prof. V.K.N. Menon : M.A. (Oxon), is Director, Indian Institute of Public Administration, and a member of the Editorial Board of the International Review of Administrative Sciences.

Dr. B.S. Khanna : Ph.D.(Lond.), is Assistant Professor of Public Administration, Indian Institute of Public Administration.

CONTENTS

	<i>Page</i>		
The American Public Executive <i>Harlan Cleveland</i>	127		
Public Enterprises and Parliamentary Control <i>Balvantray Mehta</i>	143		
Recent Developments in Management Training <i>Charles A. Myers</i>	154		
The Problem of Administrative Tribunals <i>N. K. Bhojwani</i>	165		
The Hindustan Housing Factory <i>K. S. Krishna Swamy</i>	185		
Work Study in Government Organisations <i>Indarjit Singh and K. N. Butani</i>	191		
Editorial Notes	212		
Recent Trends in Public Administration in India	214		
Institute News	222		
Digest of Reports	226		
<div style="margin-left: 40px;">Estimates Committee, 10th and 15th Reports (Ministry of Education and Scientific Research—Technical Edu- cation, Pt. I & II)</div>			
<div style="margin-left: 40px;">Estimates Committee, 20th Report (Budgetary Reform)</div>			
<div style="margin-left: 40px;">Estimates Committee, 21st Report (Planning Commission)</div>			
<div style="margin-left: 40px;">Planning Commission, Agricultural Personnel Committee</div>			
Book Reviews			
<div style="margin-left: 40px;"> <i>The Soviet System of Government</i> (John N. Hazard) </div>	}		
<div style="margin-left: 40px;"> <i>The Administrative State</i> (Fritz Morstein Marx) </div>	}		
	<div style="margin-left: 40px;"><i>D. G. Karve</i></div>	251	
<div style="margin-left: 40px;"> <i>The Machinery of Local Government</i> (R.M. Jackson) </div>		<div style="margin-left: 40px;"><i>P. R. Nayak</i></div>	255
<div style="margin-left: 40px;"> <i>Training in Public Administration</i> (UNTAA) </div>		<div style="margin-left: 40px;"><i>V. K. N. Menon</i></div>	257
<div style="margin-left: 40px;"> <i>Central Administration in Britain</i> (W.J.M. Mackenzie & J.W. Grove) </div>		<div style="margin-left: 40px;"><i>B. S. Khanna</i></div>	259

